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The Financial Times, August 11, 1975

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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL
Shots end jail siege
Police sharpshooters yesterday killed one of two convicts holding seven hostages in an Italian prison. The other was overpowered. All the hostages escaped unhurt.
They had been held in a 24-hour siege inside the jail of the medieval hill town of San Gimignano and the prisoners, serving long terms for robbery, had threatened to kill them one by one if their demands were not met.
The prisoners asked for bullet-proof vests and two fast cars to make their escape. They had used smuggled pistols to take warders hostage. Large numbers of tourists watched the siege and its bloody ending.

Row over visas for PLO men
Granting by the Home Office of visas to two members of the Palestine Liberation Organisation's political wing, to attend an Inter-Parliamentary Union conference in London next month, has been criticised by a number of MPs. One hundred have signed a protest motion and two are to complain personally to Mr. Roy Jenkins today. In Beirut, yesterday, the PLO claimed to have time-bombed a bus and a copper plant in Israel, killing a number of people.

Court Line payout delay
Many Court Line crash victims will not receive refunds yet for their lost holidays, despite reports that the payout has begun. The money has been held up before a High Court battle involving those who had paid through High Street travel agencies.

Bomb case ending
Mr. Justice Bridge will today begin what is expected to be an eight-hour summing up in the Birmingham bombs case, longest murder trial in British history. He will spread his speech over two days at the end of a two-month hearing.

Grand Prix riot
Extra police were drafted into Silverstone for the final day of the British Motorcycle Grand Prix meeting yesterday. In a riot on Saturday night a marquee was burned down, police and firemen were injured and a youth taken to hospital. One youth is to appear in court today.

Test choice
Fletcher, Hendricks and Hampshire have been picked to replace Aulis Gooch and Old in the England 13 from which the team to play Australia in the third Test at Headingley on Thursday will be chosen.

People and places
British Rail's Advanced Passenger Train set a new British speed record of 152 mph on the last of its three week-end trials.
Police hunt for a seven-foot python in Manchester was called off when the owner found it coiled up in his wardrobe.
To-morrow's start of the grouse season may not be as glorious as custom requires on some moors. The cold spring and snow in Russia took their toll of birds.
Russian composer Dimitri Shostakovich died in Moscow aged 68. Obituary, Page 3.

At least six firemen were killed in West Germany when their engine was cut off by a near-land fire and set ablaze.
Three members of a family died in a head-on car collision in fog on the A1 in Northumberland. Jack Nicklaus, with a five under par 205, led the U.S. PGA championship third round. Page 8.
The £30,000 weekly premium bond prize number was 585 540590 (Nottingham).

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Sinai settlement expected within three weeks

BY L. DANIEL, JERUSALEM, August 10

Unless a last-minute hitch occurs, it now looks as though a second interim agreement between Israel and Egypt could be reached within the next two or three weeks. There has clearly been some movement from one or both sides in the last few days.

Mr. Yitzhak Rabin, Prime Minister of Israel, said today that the time was now ripe for an immediate peace settlement with the Arab States. He said the main reason for the cut was the Europe-wide slump in demand for steel. Back Page

NEW ZEALAND has devalued its dollar by 15 per cent., bringing it to nearly the same value as the U.S. dollar. The Argentinian peso has also been devalued—by 20 per cent., its third devaluation since June. Page 7

SOUTH AFRICA has raised its bank rate 1 per cent. to 8 1/2 per cent. Page 7

BP to sell North Sea gas
BP has agreed to sell residual gas from its Forties Field and its share of the Frigg gas field in the North Sea to the British Gas Corporation. Back Page

TRANS-ALASKA pipeline contractors say they will complete half the project by November, and bring the oil pipeline on stream by the target date of mid-1976. Back Page

BRITISH LEYLAND share quote returns to the stock market today. Each of the old shares represents 10 of the old BLMC group, the government holding all but 22 per cent. Page 14

RENT and rate increases in London and the South East are forcing companies to move out of the region, a London Chamber of Commerce survey shows. Page 4

Struggle ahead, Murray warns
TUC general secretary Len Murray has warned that Britain is in for a "brutish six months." He said there was no credible alternative to the 25-a-week limit on wage increases if inflation was to be curbed. Page 8

FULL dockers are to continue pressing for a 55-a-week rise this autumn, in spite of employers' argument that they are entitled to only 5p. Page 9

INTERNATIONAL Management Competition was won for the second year by a three-man team from Denmark. A U.K. team came second. Page 14

HEARING AID manufacturers fear that the Department of Health decision to supply NHS behind-the-ear aids to all deaf people in employment or education will mean a sharp decline in private business. Page 14

ANTI-SMOKING lobby is to counter cigarette companies' motor sport sponsorship with a rally car driven by a doctor and carrying the slogan "Smoking Kills." Co-sponsors will be Action on Smoking and Health, Cancer and a pharmaceutical company. Page 5

MORE STUDENTS are avoiding a career in business, according to the Journal of the Institute of Directors. Page 14

POTTERY exports from the U.K. are running at a record £11.1m. in the first five months of this year.

ICELAND is to hold talks with the U.K. and other countries asking for special fishing permits when the Icelanders extend their limits to 200 miles on October 13.

Observer in new bid for agreement

By Lorette Olsager, Labour Staff

UNDAUNTED BY the failure to produce a paper yesterday, the management of the Observer will make further efforts this week to win the consent of two printing unions to the reduced manning levels which it considers vital for the paper's survival.

Although a union leader described the day-long talks on Saturday as reaching "total deadlock," the management carefully refrained from making any threats or setting deadlines. Publication was blocked by the machine room workers belonging to the National Society of Operative Printers, Graphical and Media Personnel (Natsopa) and warehouse workers belonging to the Society of Graphical and Allied Trades. They objected to the dismissal of more than 100 of their colleagues following failure to agree on labour reductions with the management.

The dismissed men, who were given two weeks' pay in lieu of notice last Monday, turned up for work as usual and their colleagues refused to let the paper be printed when management would not withdraw the notices. On Saturday, leaders of the two union branches insisted that the notices must be withdrawn, while the most concession the management was ready to concede would have been to let the men work out their two weeks' notice.

During the discussions, management representatives said to have stated that the paper might be closed if it failed to appear again next week-end. Publicly, the management has stressed its desire for further talks and willingness to reach a settlement.

But the unions have been left in no doubt of the Observer's determination to achieve the desired economies. An official statement published late on Saturday said: "We will seek to continue negotiations to try and achieve our objective next week."

The climate for obtaining concessions from the unions seems less propitious than last week. By all accounts, exchanges on Saturday were heated and Mr. Bill Keys, general secretary of Sogat, accused the management of trying to "impose" its will. While he expressed readiness to try to find a solution, he made it clear that his union would continue to demand withdrawal of the dismissal notices.

The Advisory Conciliation and Arbitration Service set up by the Government as an industrial relations trouble-shooter, has invited the management to talks today when it will also contact the unions.

With Friday's first round of informal talks between the SDLP and the Vanguard Party giving grounds for optimism over the future of the Convention when it reconvenes on August 19, Mr. Fitt deplored yesterday's wave of violence and sectarian fighting.

The nine separate demonstrations against interment in the province yesterday were calculated to "bring ultimate and terrible disaster on the Catholic minority in the North," he said. The climax to the day of violence came early this morning, when two bombs completely demolished Lurgan railway station, causing serious damage within a 100-yard radius. The explosion came at the end of the fourth successive day of fierce sectarian rioting in the town. Earlier, a border customs post had also been destroyed by bombing.

The most serious trouble Continued on Back Page

Paris limits South Africa arms ban

BY ROBERT MAUTHNER PARIS, August 10.

THE ANNOUNCEMENT that France will end its arms and land armament sales to South Africa, made yesterday by President Giscard d'Estaing at the end of his official visit to Zaïre, may mean rather less in practice than was at first thought.

Clearly intended as a spectacular gesture to impress the African countries, many of whom have been critical of France for its large arms sales to South Africa, President Giscard's statement has left observers here somewhat confused. The French President himself has qualified his original statement, that "France would no longer sell arms to South Africa," by stating at a Press conference during his visit to the Inga Dam in Eastern Zaïre that the ban would apply only to "land and air armaments" and would exclude naval equipment.

With the proviso that orders already signed will be honoured, this statement, if taken literally, would cover any more deliveries of tanks, armoured cars, fighter bombers and helicopters, which South Africa has already bought in large numbers from France.

South Africa, for instance, has already taken delivery of more than 50 Mirage IIs and has just received a squadron of the version of Marcel Dassault's famous combat plane, the Mirage F1.

Another 20 Mirage FIs have been ordered and will, presumably, be supplied since France has undertaken to carry out existing contracts.

Submarines
In principle, all military aircraft deliveries from France to South Africa following the completion of this order should cease. But things are not as simple as this. It has not been made clear, for instance, whether helicopters are covered by the ban. And a thick smoke-screen has been laid over the whole question of arms manufactured in South Africa under French licence, notably the Mirage fighter bomber itself. This matter will be examined case by case," the French President enigmatically said yesterday.

As for France's huge sales of naval equipment to South Africa, these will continue as before. Three French Daphne class submarines have already been delivered to the South African navy and another two 1,000-ton Agosta class submarines have been ordered at a cost of Frs.300m. (about £30m.) and are due for delivery in November, 1978.

The French had very good political reasons for making their move. Their huge arms sales to South Africa had obviously become incompatible with their policy of championing the cause of the developing world of which the independent African countries are an important part.

Even those with a less acute feeling for logic than the French were beginning to see the contradiction. Zaïre was chosen for the announcement of the change of policy not least because it is one of the key participants in the preparatory talks for the oil producers/consumers conference which France is sponsoring.

What is still puzzling observers here, however, is the real extent of the policy change. No doubt it goes further than France's previous position, adopted in 1962, which merely made a distinction between arms which could be used in anti-guerrilla operations and heavy armament for use against a foreign aggressor. But it still remains to be seen how many loopholes France's dynamic arms salesmen will be able to find in the loosely defined partial ban.

John Stewart in Cape Town reports: According to the African Nationalist Sunday Press, President Giscard's statement was a "bolt from the blue" Mr. A. P. B. Burger, who has just completed a successful six-year term as Ambassador in Paris, had not been forewarned, and the move appears to fore-shadow the end of a 12-year relationship during which France supplied arms to South Africa in defiance of concerted boycott action by other Western nations including Britain and the United States. Editorial comment, Page 12



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Zurich Theatre

An International Festival

by OSSIA TRILLING

For some years now, Jan Grossman, founder of the defunct Zurich-based company, has been working in the relative obscurity of the city theatre, as a director, producer, and actor. The price he has had to pay, ever since the Soviet invasion of 1945, in order to be able to go on working at home—indeed, in a tiny and remote provincial town—has been the constant threat of deportation, the right to work abroad in more congenial surroundings from time to time.

At this year's Zurich festival he staged in the tiny underground Theater an der Winkelwiese, a most unorthodox version of Sophocles' *King Oedipus*, using the admirable translation by the Swiss poet, Emil Stalder. Grossman has dared to mount a Greek tragedy, intended for performance in a vast open-air arena, in the claustrophobic T-shaped enclave of the Winkelwiese's 80-seater theatre.

The proximity of the players lends the tragedy a new dimension of horror that seems on the verge of peering down on the central sand-covered acting-area like medical students in an operating theatre. Though there can be no chorus in these surroundings, the taped chorus interludes, to music by Grossman's countryman, Jiri Rudicka, suffice to stimulate the imagination and relieve the tensions of the verbal contest between coryphaeus and protagonist.

Not a little of Grossman's stage

was Zanki's ability to get his Zurich-based company to join forces with the Theatre Mobile of Geneva and to have them exchange the roles of the oppressed coolies and their imperialist taskmasters with those of their French-speaking colleagues as the production shuttled between the two cities. The audience were placed in the crossfire of the two warring parties, thus physically separating the two acting-areas (designed by Ambrosius Humm) that represented the mainland at one end and the off-shore battlements at the other end of the flat auditorium. The goodies (the patriotic Chinese) and the baddies (the dastardly imperialists) were required to shoot it out over our heads, both verbally and literally—a noisy and frequently terrifying experience.

Whether the execution by a Chinese string-band of innocent hostages on the orders of the Anglo-American commanders, in their efforts to quell the Chinese resistance to the foreign yoke, was rooted in history or a mere piece of Tretyakovian fiction, its effect was sickening.

The deliberate Brechtian acting-style, that combined a form of exaggerated delivery among the foreigners, rising to quite incomprehensible shouting with a cool, measured form of address among the heroic elements, verging on studied unconcern, the use of grotesque masks and make-up and faithful costumes, designed by Renate Kalanek, as well as the political message (which the bourgeois audiences in Zurich applauded unstintingly, much to my amazement) succeeded in forging an unexpected link between the day theatre practice in the West and that of the Soviet theatre of half a century ago.

This year's sole contribution by the Zurich Schauspielhaus itself to Festival programmes was the premiere of Peter Weiss's tedious new translation of Strindberg's *Drömspelet*. Apart from this, there were only three foreign visitors this year in Zurich: Stomu Yamashita's *Raindog*, Bond's *Leas* in French, with the Theatre National Populaire from Villeurbanne, and Philip Prowse's much-praised version with the players of *Glasgow Citizens' Theatre* of *The Duchess of Malfi*, which Zurich theatregoers, Webster-experts in no ill sense, would appear, applauded with unrestrained enthusiasm.

Harry Buckwitz, who vacates the Schauspielhaus director's office in two years' time in favour of Gerhard Klingenberg, of Vienna's Burgtheater, invited two Parisian guests to put on *A Dreamplay*: Roger Bin and the Swiss-born Matias, their version filled the relatively small Schauspielhaus stage with moments of breathtaking beauty and truly fantastical lighting effects, as well as a succession of implausibly funny scenes to relieve some of the inherent ponderousness of the text. At the same time Bin's familiarity with the language must be at the bottom of much of the awkwardness and unevenness of several of the performances, notably of the needlessly plaintive and monotonous delivery of the otherwise highly gifted and stunningly beautiful Renate Schroeter as Indra's Daughter.



Willi Kowall and Renate Schroeter in 'A Dreamplay'

Arnofini Gallery, Bristol

Allen Jones

by WILLIAM PACKER

Allen Jones was conspicuous among those artists who had the doubtful, impressive, but so memorable label "Pop Artist" wished upon them some 15 years ago. In the early '60s it seemed to satisfy every expectation: the cult of youth, the consumer ethic, bad taste, the happy iconoclasm of the young and the innate philistinism of everyone else. It seemed also to be the last bastion and only hope of modern figurative painting with any claim to critical respectability. A close look at the work of the individual artists concerned shows, of course, that it was more serious, perhaps better, certainly more various, than such easy critical packaging ever managed to suggest.

But old prejudices die hard. If at all. The best encouragement to them, to do the decent thing and fade away, is to give the work itself another airing, not necessarily the heavy treatment of a major retrospective, but rather a quiet look at the way things have gone over a number of years. This small selection from Jones's work of the '70s, including painting, sculpture and print-making, has provided already just such an opportunity to the Welsh and the Scots. It remains at its final venue, the Arnofini Gallery in Bristol, until August 16.

The Pop Artist, if you must attempt a definition, draws his subject-matter from the urban culture we now enjoy, especially from the ephemera of advertising and communication, the glass of fashion and the mould of form. As such it becomes a kind of oblique social comment, driving precisely the attitudes and interests of the particular moment: its precision ensures that it will date quickly. The accessories to human activity become the central objects of interest; and it is easy to see how this process may lead to their celebration as trophies of one kind or another, or fetishes. Jones has found himself drawn in this direction, his interest lying in the iconography of kitsch, rather appropriate to our permissive age, and he has achieved a certain notoriety in consequence. And yet his imagery is not always sexual, and when it is, never exclusively so. The difficulty in his case is that the high heels, the boots, the leather, the thighs, and all the other strappings of sexual diver-

sion, are so strong and so specific they blind us, or would unless we took great care, to the other elements in the work. The sexual implications are undeniable, and legitimately fascinating, but we must remember that there is always more to Art than subject-matter. Fragonard's *Swing* is rather more than a simple picture of a girl losing, among other things, her shoe.

Jones has to accept the sexual reading of his work, or do something about it; and indeed it is apparent in this show that he is moving away from the explicit and perverse towards a cooler, more ironic view, one close to his much earlier work, before it became dominated by the attributes of sexual fantasy.

His latest paintings, including a number of large and impressive watercolours, take for their image a shoe perhaps, a box of tissues, a silk stocking, or a mannikin head, each displayed in splendid isolation in a shop window. The fetishist under-tones are strong, but they are now equivocal and implicit, not openly shocking, and their surrealism allows the imagination room to move.

This principle holds good for the sculpture as well: the female furniture, a green and kneeling girl supporting a glass table-top upon her back, the standing girl



Allen Jones: Secretary (fibre-glass and leather, 1972)

Coliseum

The Magic Flute

by MAX LOPERT

The English National Opera's *Magic Flute* is a production that not only marries enchanting entertainment to solemnity and profundity, while being unusually faithful to the sense of the original stage-directions; it is also clearly built to provide handsome and durable service.

On Thursday a fresh set of principals and a second conductor took over the revival which was described in these columns at the time; all contrived to fit so gracefully into the picture, that an evening spent in the unrelieved heat of the theatre was far from the penance it threatened to be.

None of the singers comes wholly new to his or her role. Anthony Roden, a secure, wooden Tamino at Glyndebourne two years ago, has found a good deal of the vocal colour and energy, the variety of phrase, that eluded him then, while retaining the technical security.

His aria was moulded in long lines; the dialogue with the Priest suggested that the import of the words was alive to him; his voice sprang out ardently to meet Pamina. More flexibility and bearing still more youthfully heroic, have still to be acquired before he is pronounced ideal in the role. Already he is impressive.

After a single emergency per-

formance last season in the role, Felicity Lott makes an "official" opera house debut as Pamina, fresh and fragrant of tone, not as yet able to suggest much depth in the passages of grief and loss, a young and touching heroine. Others repeat past successes: Tom McDonnell, an engagingly lissome and downbeat birdcatcher with a good line in aggrieved puzzlement (a pity the singing itself is little short on line and smoothness); Maurice London, coping valiantly, at first a little shrilly, with Astrafantus's flights; the groups of Ladies and Boys, their comedy never exaggerated in Anthony's Besch's shary and sensitive direction.

Gwynne Howell, the new Sarastro, rolled out some magnificently noble and serene phrases which then tailed off in fallow down below; his presence was at once severe and benign. The whole, admirable ensemble was led by David Lloyd-Jones, who failed to make the orchestral tone glow as it ought. But the climate in the pit must have been Saharan, yet who managed an unfussy, well-rounded reconciliation of all the musical levels. For one whose opera of operas this is, but who did not seem to dull or misunderstand, it was a happy evening.

Albert Hall/Radio 3

The Rake's Progress

by RONALD CRICHTON

Modestly described in the programme book as "a concert performance of the stage production," Stravinsky's *Rake's Progress* at the Proms on Thursday with the Glyndebourne Festival company was in fact semi-staged, with soloists and chorus singing out on a large platform behind the small orchestra. John Cox's elaborate, detailed movements were naturally abridged (for the crowd, especially) but the action was clear enough to inspire and delight what was presumably the largest audience that has ever watched this opera. Glyndebourne has the advantage over other bodies with less expertise who semi-stage operas by having a real production of high quality on which to base their adaptation. They use the advantage well.

We did not, of course, see the Hockney sets and costumes, but some of the props were there covered with the cross-hatching that is the visual leitmotif of the production. Poor chattering Baba was duly silenced with a Hockney tablecloth and in the auction scene the host of Sir Henry Wood was numbered (but not sold). The chorus wore coloured tops, black skirts and trousers. Soloists wore evening dress which matched well with the languid, must be at the bottom of much of the awkwardness and unevenness of several of the performances, notably of the needlessly plaintive and monotonous delivery of the otherwise highly gifted and stunningly beautiful Renate Schroeter as Indra's Daughter.

Glyndebourne first night, with Donald Gram's suave, friendly, smiling and finally all the more formidable Shadow once again outstanding.

Not for the first time one remarked how voices which are dimmed by the neutral acoustics of Glyndebourne blossom in the infinitely larger Albert Hall. Leo Goeke is still vocally a size too small for Tom Rakewell, but his lyrical singing has become a real production of high quality on which to base their adaptation. They use the advantage well.

Even with Bernard Haitink and the London Philharmonic, who had played the score so beautifully on the first night at Glyndebourne, one wondered if Stravinsky's crystal textures might not sound remote or thin in the spaces. On the contrary. Nothing could have been more refreshing, soothing, or consoling than the exquisitely controlled and directed jingles, riddles and sprays of prismatic instrumental sound. For a perfect Rake it was, perhaps, a trifle too honeyed and relaxed, but for a packed promenade in the theatre it was ideal. Those readings of the score that one heard in the earlier years of this opera's career seemed leagues away.

Half Moon

Hatchet

by B. A. YOUNG

This play by Hugo Magee offers us a slice of contemporary Irish life in which the innately violent is triggered neither by politics nor religion. The Baileys and the Mullahs fight as instinctively as they breathe. "Hatchet" Bailey got his name by confronting a mob with a hatchet when he was no more than 14. His father was a famous fighter in his lifetime, and his mother is a fair hand with a bottle or a bag stick, and needs little encouragement to begin.

It is old Mrs. Bailey who starts the feud in the play. Barney Mullah has insulted her in the pub. Naturally, Hatchet must round up his two attendants, layabout and kick Barner to death. Naturally, Barney's big brother Johnnyboy must cut Hatchet to ribbons. It is too bad that Hatchet should have married a girl with inclinations towards respectability, ambitions for a new and quiet life instead of the squalor and fighting of a Dublin slum.

Mr. Magee develops his material along a predictable story line, but where he scores is in the vividness of his characterisation and the quiet Irish sparkle of his dialogue. Whether this bunch of thugs is an authentic picture of Dublin society I don't know. It is at any rate a larger house.

The playing in Roland Jacquarello's production could hardly be better. At the centre of it is Laurie Morton as Mrs. Bailey, a woman of great strength and a great deal of ready to join a fight in the pub as to slug a song. Colum Meaney gives a sharp impression of her son, trying at once to live up to the family's fighting reputation, yet battling at the same time with the hope of taking his young wife Bridie away from it all. Bridie is sympathetically played by Bernadette Shortt, and her snobbish disdain is neatly done by Phyllis McKabon. Among the multitude of other characters—not all necessary, to tell the truth—Alan Devlin as Johnnyboy and Chris Gannon as Mrs. Bailey's half-brother, especially impressed me. And the punch-up at the end of Act 2 is one of the best stage fights I ever saw: a credit to fight director Malcolm Ramsom.

The Half Moon, for the benefit of the unenlightened, is in Allie Street, E1, two minutes from Aldgate East station. But much as I like going to this theatre, I think it would be a pity if such an ambitious production should stop there. It ought to be given a showing in a larger house.

Arts news in brief

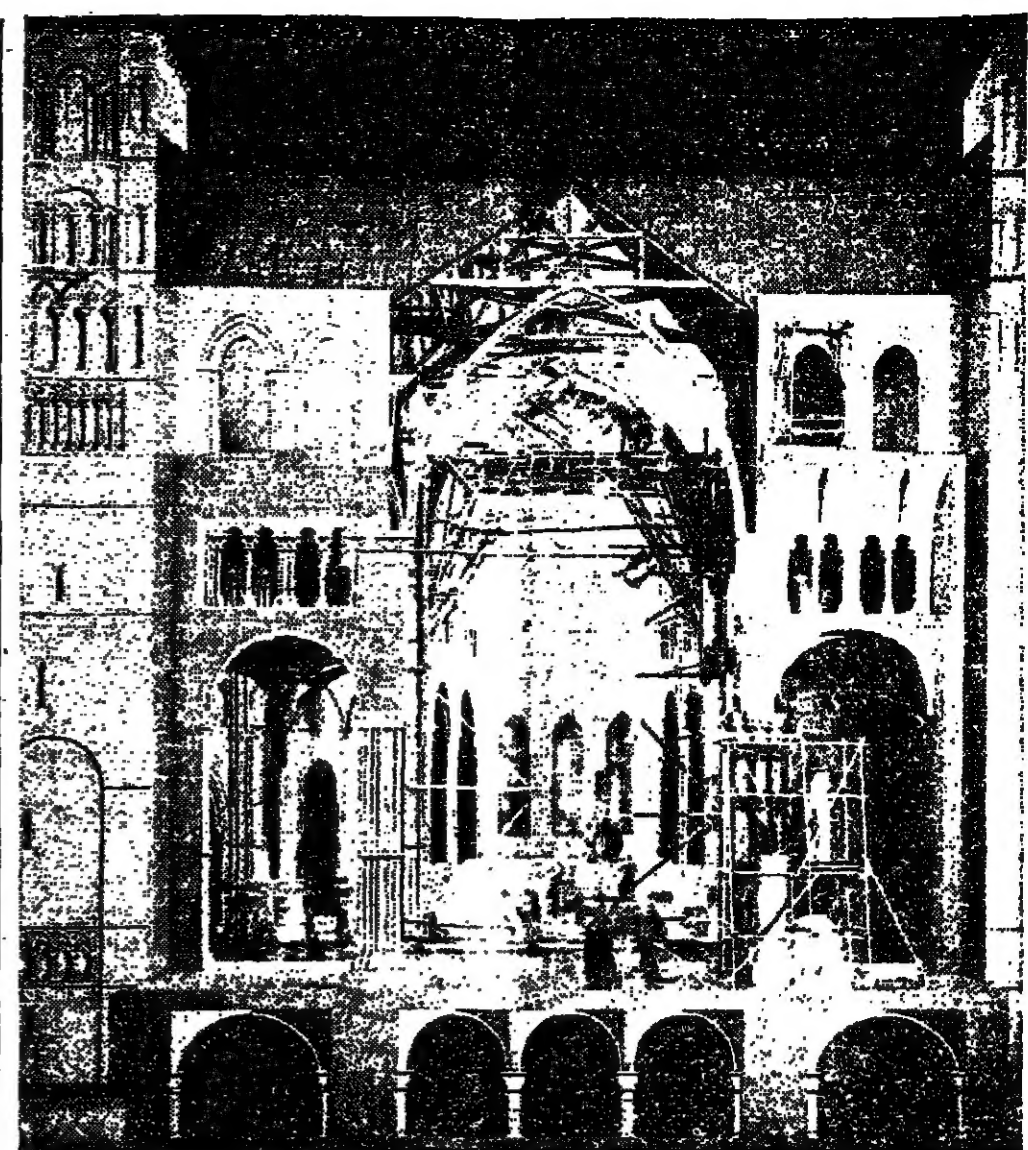
Happy as a Sandbag, a new Orchestra in the concert concert-British music by Ken Le, will be directed by Claudio Abbado on open at the Ambassador Theatre September 2. The programme for the concert with reduced-price previews from September 3. David Fisher will design the scenery and costumes. *Happy as a Sandbag* programme on September 2 will be directed by Philip Hedley. It is set in the first half of the forties and expresses how the people of England kept cheerful and entertained during the war years.

Maurizio Pollini, the Italian pianist due to give a recital at the Edinburgh Festival in the Citadel Theatre on Tuesday September 2 at 11 a.m. and to play as soloist with the London Symphony Orchestra at the Royal Albert Hall on Friday, September 5 has been injured in a car accident and will not be able to appear.

The young Spanish pianist Rafael Orozco has agreed to give a recital on September 3 and to play with the London Symphony

Orchestra in the concert concert-British music by Ken Le, will be directed by Claudio Abbado on open at the Ambassador Theatre September 2. The programme for the concert with reduced-price previews from September 3. David Fisher will design the scenery and costumes. *Happy as a Sandbag* programme on September 2 will be directed by Philip Hedley. It is set in the first half of the forties and expresses how the people of England kept cheerful and entertained during the war years.

Watford's autumn season opens on September 10 with a revival of *Irma la Douce*, the French musical about love in Montmartre. Uxa Stubbs will play the lead. This will be followed in October by a new play by Don Taylor, author of *The Exorcist*. This is the premiere of *Out on the Lawn*, and will star Rosemary Leach. In mid-November comes a revival of one of Terence Rattigan's less often performed plays, *Verdict* on a Theme, a free modern version of the story of *La Dame aux Camélias*. After that, the pantomime.



This large model illustrating the crafts employed in building in Norman times is one of the exhibits in 'The Story of a Cathedral' at Canterbury. The event spans 1,400 years of history, from the building of the Cathedral by William of Sens to our own day. It is on show in the Norman crypt of the Cathedral, where it will run initially for a year.

Dimitri Shostakovich

Dimitri Dmitriyevich Shostakovich died in Moscow on Saturday from heart disease at the age of 68. For the outside world, Dimitri Shostakovich and Sergei Prokofiev were the great composers of Soviet music. Both were, in a Russian way, prolific, uneven, untidy. Both had strong musical personalities which, whatever their private convictions may have been, did not accommodate themselves into official guidelines about the kind of music they should write.

Shostakovich, a generation younger, did not have Prokofiev's spell in the West. He was born in 1906 in St. Petersburg, a city whose wartime sufferings under the name of Leningrad he was to celebrate in a symphony which brought him the greatest if not the most durable fame of any of his works.

At the Leningrad Conservatory he was favoured by the director, Glazunov, who spotted his talent. His composition teacher was Maximilian Steinberg, Rimsky-Korsakov's son-in-law. The work which put Shostakovich on the map was the First Symphony (1925), a precocious score which has not lost vitality of freshness. As well as high spirits and an individual feeling for orchestral colour, it had two qualities prophetic of the future—a Mahlerian, bitter-sweet ambiguity in the composer's attitude to popular music, and a melancholy

streak that was new because it was not pastoral but urban, evoking not so much waving corn, hills or snow as wet streets. This was different from the exuberant, almost hysterical, and the composer's answer to just criticism. Shostakovich was involved in the Zhdanov rumpus of 1948. Later he was required to tone down the Yevluskensky texts of *Rabi Yar*.

One consequence of this state of affairs is a danger of confusion between the private and public sides of the music. Some of the later works especially are tinged with a black pessimism (expressed with masterly economy) in which one is inclined to put down to outside pressure when it may be entirely personal—or vice versa. One can imagine that if Shostakovich had written his *Pastorale* under such conditions, it might have been forced to bear programmatic interpretations going well beyond his private affections. What is incontestable is that, like his friend Britten, Shostakovich is one of the modern masters who have most valuably enriched traditional musical language in an original and personal way.

His last appearance before the public was in a television recording of his opera, *The Nose*, shown last month. He leaves a son, Maxim, himself a pianist and conductor of repute. His successful debut two years

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Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Today	British Furniture Manufacturers' Ex. (cl. Aug. 14)	Manchester
Aug. 14-15	United Counties Agricultural Show	Carmarthen
Aug. 17-21	International Gift Fair	Earls Court
Aug. 22-30	European Model Railway Festival	Central Hall, S.W.1
Aug. 23-31	Brighton Intl. Exbn. and Trade Fair	Metropole Exbn. Hall
Aug. 23-31	Handicrafts and Do-It-Yourself Exhibition	Olympia
Aug. 23-31	Motor Cycle Exhibition	Earls Court
Aug. 31-Sept. 4	West of England Gift Fair	Bristol
Sept. 4-5	Control and Instrumentation Exhibition	West Centre Hotel, W.8
Sept. 4-5	Northern Floor Coverings Fair	Ulster Hall, Centre
Sept. 4-5	Business and Light Aviation Show	Grampian, Beds.
Sept. 7-11	Furnishings and Decorative Lighting Exhibition	Brighton
Sept. 7-11	International Gift Trade Fair	Manchester
Sept. 8-12	Menswear Fashion Fair	Manchester
Sept. 8-20	Food, Cookery and Catering Exhibition	Manchester
Sept. 9-20	Chelsea Antiques Fair	Chelsea Town Hall
Sept. 10-20	East Midlands Home Life Exhibition	Leicester

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Ocean Exposition (cl. Jan. 18)	Okinawa
Current	Fishing Machinery Equipment (cl. Aug. 20)	Leningrad
Aug. 15-24	Austrian Timber Fair (cl. Aug. 17)	Klagenfurt
Aug. 17-20	International Trade Fair	Malmö
Aug. 20-Sept. 1	Fancy Food and Confection Show	Chicago
Aug. 20-Sept. 5	Plant Protection Exhibition	Moscow
Aug. 20-Sept. 6	International Fair	Algiers
Aug. 20-Sept. 20	New Zealand Trade Fair	Wellington
Aug. 20-Sept. 20	International Fair	Izmir, Turkey
Aug. 22-24	International Men's Fashion Week	Cologne
Aug. 22-27	International Leather Goods Fair	Rerikjavik
Aug. 24-27	International Fair	Frankfurt
Aug. 24-28	Fall Gift Show	Montreal
Aug. 28-29	International Sports and Recreation Trade Fair	Stockholm
Aug. 28-29	National Hardware Show	Chicago
Aug. 27-Sept. 1	Ideal Home Exhibition	Dublin
Aug. 28-Sept. 2	Radio and TV Exhibition	Zurich
Aug. 28-Sept. 7	Mining Industry Technical Exhibition	Domestok
Aug. 29-Sept. 7	International Radio and TV Exhibition	Berlin
Aug. 31-Sept. 2	International Fashion Fair	Copenhagen
Aug. 31-Sept. 2	Men's Fashion Fair	Copenhagen
Aug. 31-Sept. 3	Toys and Souvenirs Exhibition	Lanzarote
Aug. 31-Sept. 4	International Auto Fair (consumer goods)	Utrecht
Aug. 31-Sept. 5	Fall Gift Jewellery and Housewares Show	Dallas
Aug. 31-Sept. 7	International Autumn Fair	Leipzig
Aug. 31-Sept. 8	China, Ceramics and Jewellery Exhibition	Brussels
Aug. 31-Sept. 14	International Fair	Thessalonika
Sept. 1-5	International Water Conservancy Exbn. and Conf.	Jonkoping, Sweden
Sept. 1-5	International Trade Fair	Plovdiv, Bulgaria
Sept. 5-7	International Men's Wear Exhibition	Salzburg
Sept. 5-7	Women's Fashion and Men's Wear Exhibitions	Paris
Sept. 7-10	International Children's Trade Fair	Düsseldorf
Sept. 8-14	International Hotel and Restaurant Exhibition	Sao Paulo
Sept. 9-13	Electronics and Electrical Eng. Trade Fair	Basle
Sept. 10-18	International Engineering Fair	Brno, Czechoslovakia
Sept. 11-21	International Motor Show	Frankfurt

BUSINESS AND MANAGEMENT CONFERENCES

Today	ABRAXAS: Basic Synthesis (cl. Aug. 15)	Richmond Hill Hotel
Aug. 28	Avon Noise Control: Industrial Noise	Melksham, Wilts
Sept. 1-2	Financial Times, Norwegian Journal of Commerce and Shipping, Svenska Dagbladet, Berlinke Tidende, Helsingin Sanomat and the Oslo Daily: The Second Scandinavia and the North Sea Conference	Oslo
Sept. 1-4	Assoc. Cert. Agents: Fin. Planning and Control	Hotel Russell, W.C.1
Sept. 1-5	Brunei Univ.: Workplace Negotiations	Uxbridge, Middlesex
Sept. 1-26	Harry Mitchell and Partners: Work Study	Recon, Notts
Sept. 2-3	Henley Centre: Britain in the 1980s	Henley, Oxfordshire
Sept. 2-4	IPM: Efficient Personnel Administration	Park Court Hotel, W.2
Sept. 2-4	Nat. Res. Laboratory: Energy Utilisation	Glasgow
Sept. 3	Int. Mkt. Materials in Petrochemicals	Runcorn, Cheshire
Sept. 3-5	AICM: Accounting for Induction	Trinity Coll., Cambridge
Sept. 5-12	IRM: Management in Engineering	London, Great Bus. Sch. NW1
Sept. 7-24	W. D. Sent and Co.: Clerical Work Improvement	Moor Hall, Cuckham, Berks
Sept. 8-Oct. 3	Whitby Man. Coll.: Management Dev. Prog.	Berkhamsted, Herts
Sept. 8-12	P.F. Cons. Group: Art of Management	Exham, Surrey
Sept. 10-11	Financial Times and the Oil Daily: World Coal	Europa Hotel, W.1
Sept. 11-12	BIM: Effective Speaking	Parker Street, W.C.2

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends are intended or not. The sub-divisions shown below are based mainly on last year's timetable.

TO-DAY	
COMPANY MEETINGS—	
Associated Newspapers, Waldorf Hotel, W.C. 12	
Lafayette Chemicals, Manchester, 12	
Morgan Guaranty, Howard Hotel, W.C. 12	
Kemper, Huntington, 12	
Central Meetings—	
Associated American Trust, Carewads, 811a and Everett Gateway, 81a, Hillside, 811a, 811b, 811c, 811d, 811e, 811f, 811g, 811h, 811i, 811j, 811k, 811l, 811m, 811n, 811o, 811p, 811q, 811r, 811s, 811t, 811u, 811v, 811w, 811x, 811y, 811z, 812a, 812b, 812c, 812d, 812e, 812f, 812g, 812h, 812i, 812j, 812k, 812l, 812m, 812n, 812o, 812p, 812q, 812r, 812s, 812t, 812u, 812v, 812w, 812x, 812y, 812z, 813a, 813b, 813c, 813d, 813e, 813f, 813g, 813h, 813i, 813j, 813k, 813l, 813m, 813n, 813o, 813p, 813q, 813r, 813s, 813t, 813u, 813v, 813w, 813x, 813y, 813z, 814a, 814b, 814c, 814d, 814e, 814f, 814g, 814h, 814i, 814j, 814k, 814l, 814m, 814n, 814o, 814p, 814q, 814r, 814s, 814t, 814u, 814v, 814w, 814x, 814y, 814z, 815a, 815b, 815c, 815d, 815e, 815f, 815g, 815h, 815i, 815j, 815k, 815l, 815m, 815n, 815o, 815p, 815q, 815r, 815s, 815t, 815u, 815v, 815w, 815x, 815y, 815z, 816a, 816b, 816c, 816d, 816e, 816f, 816g, 816h, 816i, 816j, 816k, 816l, 816m, 816n, 816o, 816p, 816q, 816r, 816s, 816t, 816u, 816v, 816w, 816x, 816y, 816z, 817a, 817b, 817c, 817d, 817e, 817f, 817g, 817h, 817i, 817j, 817k, 817l, 817m, 817n, 817o, 817p, 817q, 817r, 817s, 817t, 817u, 817v, 817w, 817x, 817y, 817z, 818a, 818b, 818c, 818d, 818e, 818f, 818g, 818h, 818i, 818j, 818k, 818l, 818m, 818n, 818o, 818p, 818q, 818r, 818s, 818t, 818u, 818v, 818w, 818x, 818y, 818z, 819a, 819b, 819c, 819d, 819e, 819f, 819g, 819h, 819i, 819j, 819k, 819l, 819m, 819n, 819o, 819p, 819q, 819r, 819s, 819t, 819u, 819v, 819w, 819x, 819y, 819z, 820a, 820b, 820c, 820d, 820e, 820f, 820g, 820h, 820i, 820j, 820k, 820l, 820m, 820n, 820o, 820p, 820q, 820r, 820s, 820t, 820u, 820v, 820w, 820x, 820y, 820z, 821a, 821b, 821c, 821d, 821e, 821f, 821g, 821h, 821i, 821j, 821k, 821l, 821m, 821n, 821o, 821p, 821q, 821r, 821s, 821t, 821u, 821v, 821w, 821x, 821y, 821z, 822a, 822b, 822c, 822d, 822e, 822f, 822g, 822h, 822i, 822j, 822k, 822l, 822m, 822n, 822o, 822p, 822q, 822r, 822s, 822t, 822u, 822v, 822w, 822x, 822y, 822z, 823a, 823b, 823c, 823d, 823e, 823f, 823g, 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HOME NEWS

North Sea oil attraction lost, claims bank

FINANCIAL TIMES REPORTER

ALTHOUGH the UK is more favourably placed, with regard to future energy supplies than any other European country, there remains serious cause for concern in the decline in enthusiasm for the North Sea and the growing cost of oil, according to Mr. Richard Bailey, a former director of Political and Economic Planning (PEP).

Writing in the latest National Westminster Bank quarterly Review, Mr. Bailey argues against any "easy optimism" on the energy front. In particular, he asserts that the "glowing promises held out by the first discovery of North Sea Oil will not now come to fruition."

Inflation and the unprecedented rise in capital costs for exploration and development have removed much of the profit attraction which had seemed to accompany the dramatic rise in oil prices of a year ago, while the Government's new taxation policy has meant that the state would be taking an average of 70 per cent. of the oil companies' net revenue from fields.

As a result, there have been delays in development, so that self-sufficiency originally forecast for 1978, is now unlikely to

be achieved until several years later.

The oil would be of high cost, but of the very heavy investment needed to produce it and bring it ashore, and there was always the danger that the Middle East countries, seeing a falling market for their oil, might reduce prices and undercut the North Sea.

At the same time, oil prices, which at one time had held a 44 per cent. cost advantage over oil delivered in power stations, were now rising rapidly and were in some cases higher than oil cost to-day.

Nuclear power, which held out such great promise in the 1950s, was also suffering from problems, particularly technical ones. While Britain's position remained a relatively attractive one on the energy front compared to its neighbours, therefore, there was still no room for complacency.

Some duty-free goods are dearer—Minister

SOME GOODS cost more in airport duty-free shops than they do elsewhere, Mr. Charles Irving, Conservative MP for Cheltenham, claimed yesterday.

Mr. Irving, who is campaigning to get a fair deal for customers in duty-free shops, based his allegation on a letter he has received this weekend from Mr. Alan Williams, Minister of State, Prices and Consumer Protection. Mr. Williams had said: "There is no doubt that many travellers think that 'duty-free' is synonymous with 'cheap' but it is not always so. Many duty-

free goods bear a relatively high mark-up which makes them little cheaper than the same goods in the domestic market or even dearer than in some shops overseas."

The Price Commission considers that goods sold beyond the customs barrier are not goods supplied to the home market as defined by the Price Code and are therefore outside its scope, he added.

Mr. Irving commented yesterday: "It really is a farce. These shops are not breaking the law synonymous with 'cheap' but it is not always so. Many duty-

Disabled drivers may sue Health Ministry

BY MICHAEL THOMPSON-NOEL

DISABLED DRIVERS involved in safety of tricycles. Mr. Reg in accidents caused by unstable Ralph, leader of the action group, claimed that all the fully use the Department of Health and Social Security for negligence. It was claimed he should be investigated now.

The first case of alleged negligence likely to come before the courts is that of Mr. Nigel Gregory, of Sittingbourne, Kent, a police victim, who says he was blown through the roof of his overturned tricycle at Easter.

He is seeking his solicitor have overturned in the last two and-a-half years, many tricycle drivers may well now claim compensation," he said.

His remarks follow a report by Sir Alan Marre, the Ombudsman, which found that drivers of Government-issued invalid three-wheelers were four times more likely to be injured than drivers of ordinary cars.

The report also accuses the Health Department of evasiveness over safety tests of tricycles, and says that replies given to some questions in the Commons were "less frank than they should have been."

In turn, the Ombudsman himself came under attack from Mr. MacBryan, who claimed the report was neutral and seemed to avoid a firm ruling on the negligence.

Anti-smoking lobby sponsors rally car

BY MICHAEL THOMPSON-NOEL

A RALLY CAR driven by a doctor carrying the slogan will set an example to other motorists. The "Smoking Kills" slogan will be carried by the car.

ASH, the Action on Smoking and Health group, said yesterday it was backing a Ford Cortina rally car driven by Dr. Paul Cary, a 28-year-old London industrial doctor and former GP. He will be entering the no-smoking car in rallies throughout the country.

This goes a small way to Health Minister, told the Commons yesterday that the Government was sponsoring a campaign to encourage so many, including children, to smoke—a healthy leads the world," said Dr. tobacco products were made.

NEWS ANALYSIS—DROUGHT

Bonus—when the heat's on

BY JOHN CHERRINGTON

THE thunderstorms on Friday night have temporarily reduced the scorching temperatures of the last week, but have done nothing to alleviate the drought which has lasted throughout the summer in much of southern and western Britain.

The high temperatures ripened off the grain crops more quickly than I would have believed possible, and fields which looked as though they would not have been ready to harvest until the middle of the month are now fit for the combine harvester.

The great heat caused the crops, particularly barley, to die rather than mature on the straw, and this is bound to reduce yield through a lack of maturity and a reduced moisture content.

On my own farm last Friday, barley was being harvested at 11 per cent. moisture content as against a normal 16 per cent.

But even if the moisture content is restored to normal, overall yields are, with the exception of some favoured areas, well down on last year due to the summer's drought affecting the growth pattern.

Reduced grain yields may in the end raise prices and so the cost of producing meat and milk, but at the moment the main impact of the drought on the consumer is in vegetables.

Wholesale potato prices are three times what they were last year. Cauliflowers, cabbages, onions, lettuce and beetroot are all showing increases approaching this level.

There is little prospect of second cuts being made, except in the most favoured districts. Prices for hay are at least 50 per cent. up on last year, and barley straw, a less valuable fodder, is two or three times last year's price.

Instead of burning their straw, arable farmers in the south and east are selling it to farmers from the West Country and Wales, whose livestock enterprises are in desperate condition for lack of fodder for next winter.

So for the first time for many years, farmers are not burning straw. There is no scorched earth to spoil the view. It's about the only bonus of the drought.

Most of this milk is being produced by feeding concentrated rations of grain and oil.

Without rain in the near future, the prospects for next winter's potato supplies point to shortage and high prices.

According to the Milk Marketing Board, milk production is holding up remarkably well, total output not being more than 1 per cent. down on the comparable period last year.

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AN MP yesterday called for a top-level Government inquiry into what he called "the decline and fall of the Post Office."

Mr. Gwyn Roberts (Lab., Cannock) complained: "In other nationalised industries, capital investment is paying off with more efficient services, yet the Post Office is marching backwards."

He is to press Mr. Eric Varley, the Industry Secretary, to institute an inquiry and urge him to direct the Post Office Corporation to study methods of speeding up postal deliveries and expand their services.

He said: "A letter takes longer to deliver than it did 30 years ago, deliveries are fewer,

they are talking about garden-gate deliveries, and Post Offices are closing earlier all the time."

Because of the drought, grass growth has been limited throughout the summer and reserves of fodder, that is hay and silage, are believed to be lower than they have been for years.

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The Executive's World: The Office

EDITED BY JAMES ENSOR

Vincent Carratu, head of Europe's biggest investigation company, argues:

Kidnapping the president is easy money

IN MORE and more parts of the world, tycoons are buying cheap cars, dismissing their servants and arriving late at the office. Others are cancelling their plans for overseas tours at a moment's notice and firing their travel agent. The reason is not overwork, strain or just plain bad temper. It is the fear of being kidnapped.

For in a growing number of countries ranging from Italy, which is virtually the kidnapper capital of the world, to Brazil, Argentina and other South American countries as well as the Middle East, the threat of kidnapping is becoming yet another nightmare for the already harassed executive. And a growing headache for British companies with senior executives trying to open up new export markets.

Last year, according to FBI figures—the only figures available on the subject—over 3,500 businessmen were kidnapped throughout the world. The ransom payments varied from as little as \$200 to \$14m. paid by Exxon for the release of Victor Samuelson, one of their senior executives, in the Argentine.

This year the trend has been getting worse. Gianni Bulgari, heir to a jewellery fortune in Italy, was ransomed for \$16m. Last month the Argentine-based multi-national Borge and Born was forced to pay no less than \$60m. cash ransom for the release of two kidnapped executives.

But the real figures could be even worse. For police fear that only one in three cases of executive kidnapping is reported to law enforcement agencies, the theory being the less you are seen to be a victim of a kidnapping demand, the less chances there are of drawing attention to yourself and suffering a repeat performance.

The other reason, of course, for not involving the police is the threat of further reprisals from the kidnappers. Companies are desperate to protect the lives of their executives in any circumstances. And if one of the conditions laid down by the kidnappers is excluding the police, many of them are only too ready to agree.

Given the fact that the odds are unfortunately so heavily on the side of the kidnapper, the



Mr. Charles A. Lockwood who was kidnapped in Buenos Aires, for the second time, and a Japanese Red Army girl with hostages in Kuala Lumpur, last week.



number of subsequent arrests is dangerously low. Again, according to the FBI, less than 100 kidnappers were arrested and sentenced last year, a fraction of the total.

This, in turn has given rise to different types of executive kidnappers. Apart from the straightforward politically-motivated kidnappers such as the Symbionese Liberation Army of Patty Hearst fame and the Montonero urban guerrillas who wrung the record \$60m. cash ransom out of Borge and Born in the Argentine, the common criminal has now turned his hand to kidnapping. Increased security precautions have made it virtually impossible to raid a bank nowadays, so kidnapping the bank president is, by comparison, easy money.

The number of businessmen who were actually killed by their kidnappers was thankfully very low, although the experience itself often provokes untold psychological damage for years afterwards.

But the problem remains: What on earth does a company do if one of their executives is kidnapped? Although it may be inconvenient, an executive security system could be a small price to pay compared with the horror of a kidnapping.

Prevention is, obviously, vital. Rather than face a kidnapping situation, companies should adopt a basic security programme, keep a low profile and plan ahead in case they are actually faced with a kidnapping situation.

A co-ordinating committee, reporting direct to senior management, should be appointed with responsibility for protecting all senior executives and negotiating with any subsequent kidnappers.

The committee should compile a complete dossier on all possible kidnappers in the company, with up-to-date photographs of each of them. It should then detail all company cars, registration numbers, etc. Names and telephone numbers of all close relatives should also be kept on file in case of emergency, as not only should the company's offices be subject to a security survey, but the homes of all senior executives as well. Many executives are snatched from their homes rather than their offices. It would be foolish, therefore, to overlook home security.

Security checks should be carried out on all employees working alongside the potential victims. Inside information from a disgruntled employee often leads to kidnappers.

Apart from such things as cancelling planes at the last minute, executives in the kidnapping blackspots of the world should be advised to be wary of speaking openly in front of any staff or servants. All cars should be equipped with two-way radios, and in some cases, followed by radar from a second car. Windows and doors should always be securely locked. Drivers should be given instructions in evasive driving;

told to be wary of open countryside; deserted locations and travelling late at night. They should also be instructed in ways of dealing with motor-cycles, which are an enormous aid to kidnappers because of their speed and manoeuvrability.

Many companies devise their own form of code to prevent kidnappers grabbing staff or children. School teachers, for example, would not release children to staff or even parents until the correct code word was given.

That is the prevention side of the coin. But it is equally important to prepare executives for any possible kidnapping attempt. Potential victims should be given an introduction to the psychology of a kidnapper: what motivates him; what arouses him and what is likely to provoke him.

They should be told how to conduct themselves during a kidnapping and how to adjust to the whole unnatural way of life. More important, they should be told how to remain calm in spite of the circumstances so that they are ready to exploit any reasonable advantage.

While most kidnappers are never traced, executives should be told how to recognise tell-tale clues to identify them such as odours, colouring, eyes, inflections in the voice, speech patterns, nervous habits and so on.

They should also be practised in developing a system of signals known only to their company's security co-ordinating committee. Code words can be dropped into sentences in messages demanding help indicating location or other clues. If a pipe-smoker, for example, starts asking for cigarettes, this can be a further clue. Similarly writing left or right-handed; speaking French instead of Spanish and so on.

While the kidnapper is often prepared to kill his victim, in most cases he prefers to collect the ransom. Once the abduction has been achieved the odds of the victim suffering serious physical injury is usually remote. Anything he can do, therefore, to help the authorities trace him is invaluable.

The other key areas of concern is, of course, the conduct of the actual ransom negotiations themselves. The first step is to ensure that the people you are negotiating with are actually holding the victim. Priority, therefore, must be given to proving this and setting up a code system, to ensure that any ransom is not intercepted by a third party.

Evidence shows that in most cases, kidnappers will often allow their victims to speak direct to their companies to prove they are being held. In such cases, of course, a company code system comes into its own.

Agreement must also be reached on liaising with the victim's family as well as the police and possibly also the Press.

Because of the extreme sensitivity of the whole event, all the negotiations should be left in the hands of a single individual who knows the company code system, and who can be relied upon not to inflame an already dangerous situation by misunderstanding or confusion.

The final decision, however, on whether to accede to a kidnapper's demands must always rest with the victim's family. While there is obviously a strong bond of loyalty between an employee and his employers, it cannot rival that between a man and his family.

U.K. pay is systematic

ALTHOUGH U.K. executives are the worst paid in Europe, British companies are the most advanced in salary administration. This is clear from a study by Management Centre Europe called "Top Management Remuneration for Europe 1975".

For instance, Britain tops the league tables for the proportion of companies with formal salary administration programmes, job evaluation systems and performance based merit increases. The tables show that the Netherlands is also highly developed in these fields, although lagging somewhat behind the U.K.

Reporting on 1974, MCE comments: "The most noticeable feature this year has been the rise in the number of companies which have been obliged, as a result of severe price inflation throughout

Europe, to review salaries every six months or at even more frequent intervals.

"Almost a quarter of participating companies in those countries where automatic indexation of wages and salaries is not a legal requirement or the usual practice, reported reviewing salaries every six months and in some cases every four months."

The survey also discovered that profit-sharing plans continued to play a minor role. Except for France where such schemes were legal, the proportion of companies offering such plans remained low. In the U.K. only 12 per cent of companies in the sample used these plans. U.K. executives appear at the bottom of almost all the European salary tables including those of net income adjusted to the cost of living.

R. L.

OFFICE WORKERS

Poor and underused

BY ROY LEVINE

THE BRITISH office worker is the most underused in Europe and the worst paid, apart from Spain.

This is the conclusion to be drawn from a study of "Office and Administrative Personnel Remuneration in Europe 1975," published by Executive Compensation Service of Management Centre Europe (MCE), a branch of the International Management Association.

The average British office worker has a 39-hour week. But half of MCE's sample worked fewer than 37½ hours. Only a tiny proportion (3 per cent) worked 40 or more hours a week. Finland was the only other country among eight European countries studied which operated an office working week of less than 40 hours.

Spain was top of the table with an average of 43.6 hours a week, followed by France, Switzerland and Germany.

MCE's figures are based on quite a small sample, but are confirmed by The Institute of Administrative Management. According to the institute, slightly under half of the U.K.'s office staff work for 37½ hours a week. A further quarter, mainly in the London area, work for only 35½ hours a week.

Unfortunately, neither MCE nor the institute has compiled an office productivity index so that it is not possible to tell whether British office workers get more work done in their shorter hours. However, this seems unlikely from other studies made of output per worker which show the U.K. at the bottom of the European comparison tables.

Furthermore, a recent and comprehensive study by Mackintosh Consultants on the European office equipment market showed that countries like Germany and Scandinavia had a much higher concentration of machines to office workers than the U.K.—another indicator of productivity.

A survey published by the Alfred Marks Bureau shows that just over half the companies in its national sample used any form of time-saving office equipment. Moreover, more than half the secretaries questioned thought they were not being used effectively and that they had abilities untapped by their bosses.

When it comes to overtime, however, MCE shows quite a different pattern. All the companies studied in Finland operate overtime and give the highest overtime rates, normally twice normal salaries. In Spain, on the other hand, just over half the companies operate overtime and at the lowest rates among the nine countries.

In the U.K., nine out of ten companies operate overtime which suggests that some of the work not done in "normal" office hours is carried out at higher rates later in the day. But, as we know, not all office jobs require overtime—this is probably concentrated in specific work areas such as the computer room, or the accounts department at peak times and so on.

If Britain's office workers are the least energetic in Europe, one reason may well be their relatively poor pay. MCE does not make any statement on this but

it is clear from a random sample extracted from their study that this is so.

For example, I have made comparisons for four categories of office work and in virtually each case the U.K. worker is well behind his Continental counterpart.

The table shows the position in U.S. dollars. You can see that the U.K. executive secretary or senior accounts clerk earns less than half the salary earned by his counterpart in other countries like Germany, Sweden or the Netherlands. This difference is compounded by the lower tax rates in most of these countries together with the lower welfare contributions made by employees.

There are only two exceptions—accountants and systems analysts can earn more in the U.K. than in Finland. This probably reflects the shortages of these skills in the U.K. as months of that period following

programmers—grade 1 received a 30 per cent rise, while grade V suffered an actual fall in salaries of 8 per cent. Once again two exceptions to the overall trend are systems analysts and accountants. In these categories MCE shows higher percentage increases at the higher salary levels.

This narrowing of differentials is confirmed in two other studies made specifically on the U.K. market. The most up to date is the study of London office staff pay for May this year by the consultants Hay-MSL, which concluded that—well ahead of the current 55 a week pay increase proposed by the Government—there has in effect been a flat rate pay trend since May 1974.

The increase over May 1974 has been in the order of £10-£11 a week with the bulk of the increases coming in the first six months of that period following

Office salaries in Europe

	Bonus	Executive Secretary	Senior Accounts Clerk	Accountant Grade IV	Systems Analyst
Belgium	8%	4,018	4,709	6,512	6,399
Finland	nil	3,092	2,821	1,885	4,340
France	8%	2,142	2,064	4,781	7,456
Germany	8%	5,019	5,594	7,289	7,588
Netherlands	10%	4,473	4,381	6,473	7,051
Spain	20%	1,803	2,180	3,228	—
Sweden	nil	4,779	6,069	—	4,503
Switzerland	8%	5,070	6,559	9,713	8,101
U.K.	5%	2,102	2,496	4,607	4,584

Figures extracted from "Office and Administrative Personnel Remuneration in Europe for 1975" by Management Centre Europe, and converted to sterling at rates ruling on January 1, 1975.

against other types of work. But the general picture remains very much the same.

Spain, which has only entered the league of developed countries over the past 10 years or so, is still lagging behind the U.K. pay in most office categories. But once the statutory two-month bonus is added on, the differential narrows considerably. According to MCE, bonuses of 20 per cent are not uncommon in Spain.

Despite the low pay of U.K. office staff there is evidence that the pace of salary increases is beginning to slacken. According to the Alfred Marks Bureau, pay for office staff in London rose by only £1.50 a week during the quarter ended May against a rise of £1.75 for the previous quarter.

The 42,000 school-leavers who have entered the market between mid-June and mid-July could have some effect on the market. Over 40 per cent of all girls and 10 per cent of all boys normally join the ranks of the country's 34m. clerical workforce, making up 13 per cent of the total labour force.

Another interesting point highlighted in the MCE report is the narrowing of differentials in each country. This is especially true of the U.K. There appears to be a rough cut-off point at about the £2,000 a year level. Those earning below £2,000 at the end of 1973 have kept well ahead of inflation while those above that level are relatively worse off.

For example, a junior accounting clerk earning £1,106 in January 1974 to-day earns £1,345, an increase of 21.6 per cent. Yet the increase for a higher paid intermediary clerk is 19.6 per cent and for a senior clerk 15.6 per cent. This trend is even more blatant in the case of computer

These flat rate increases have naturally resulted in lower percentage rises for the better paid. They include the effect of Threshold Allowances amounting to £228 over the period as well as the London Weighting allowance of £200 (and £400 for inner London).

The effect, says Hay-MSL, is to bring about distribution of wealth without encouraging creation of wealth. Furthermore, since jobs cannot be filled without acceptable differentials, there could be shortages of staff in some categories.

Another reason for narrowing differentials, adds the Institute of Administrative Management, is the increasing tendency to pay adult rates in offices at younger ages.

The Institute warns of increasing unionisation of office workers as a result and also because, even though percentage increases kept pace with blue collar workers, earnings of office workers were still below those of manual workers.

There is a final word of warning about the Equal Pay Act which comes into force on December 29 this year. "In some manual work areas there may be difficulty in setting men to accept equality, but it seems unlikely to occur in offices. The real problem in offices will be in comparing like with like in order to determine who should be equal with whom."

For those males feeling particularly defensive, Mr. Marks points out that there is "a massive potential market and a salary premium of up to £4 a week for the male clerks who are brave enough to take the plunge and take secretarial courses."

The 1976 National Management Game

An opportunity to put your management skills to the test and win £500

The National Management Game is now firmly established. During the six years in which the event has taken place over 26,000 contestants have participated. It is widely acknowledged to provide useful training in management, putting people into a boardroom situation, where they work together to thrash out balanced decisions within a time limit, and under pressure of competition.

In the Game, specific and detailed business situations with their attendant problems, risks and consequences, are simulated with the help of a computer. Each team in the Game is, in effect, a company making decisions on the employment of its resources, in manufacturing and marketing a product over a number of trading periods in competition with other teams in groups. The winner is the team in each group generating the largest net profit. Initially a team may be composed of any number of individuals but teams in the final round are limited to six people each.

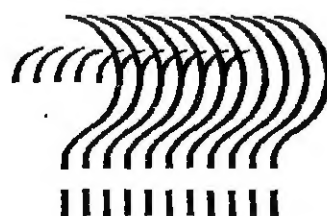
The National Management Game is sponsored by The Financial Times, International Computers Limited, and the Institute of Chartered Accountants in England and Wales, in association with The Institute of Directors and The Confederation of British Industry.

Teams taking part in previous Games have largely come from industry and commerce, accountants and consultants, banks and building societies, insurance companies, colleges and business schools, chambers of commerce, nationalised industries, and central and local government.

The entry fee is £40 (including VAT) per team and there is no limit to the number of teams entering from one organisation.

The first round begins in January and the competition is run on a knock-out basis over five rounds. The four most successful teams will compete in the finals in London in July 1976.

The winning team will receive £500 and will compete against teams from other countries in the European Management Game finals in Dublin.



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DEAFNESS

The dangers of groups and road drills

BY DR. DAVID CARRICK

THERE ARE two major causes of deafness: that due to interference with sound waves reaching the inner ear (conduction deafness) and that due to a breakdown in the mechanism for transmitting sound to the brain from the inner ear (nerve deafness).

The commonest cause for conduction deafness is wax which, by gradually blocking the passage to the eardrum, diminishes hearing. It may also cause sudden deafness following activities such as swimming. Although various oils can soften this wax, the only sure method for its elimination is by syringing. Any other method is inadvisable.

And the condition is just as important as the more dramatic and over publicised "coronary." Perhaps more so, for how can one know how many people are killed or maimed on the road yearly just because they have diminished hearing which is easily curable? It is impossible to say, but as the temporary deafness is long a-growing, then the figure might be very high indeed. One patient I saw recently did nothing until he found that he could not even hear City traffic, let alone telephone conversations.

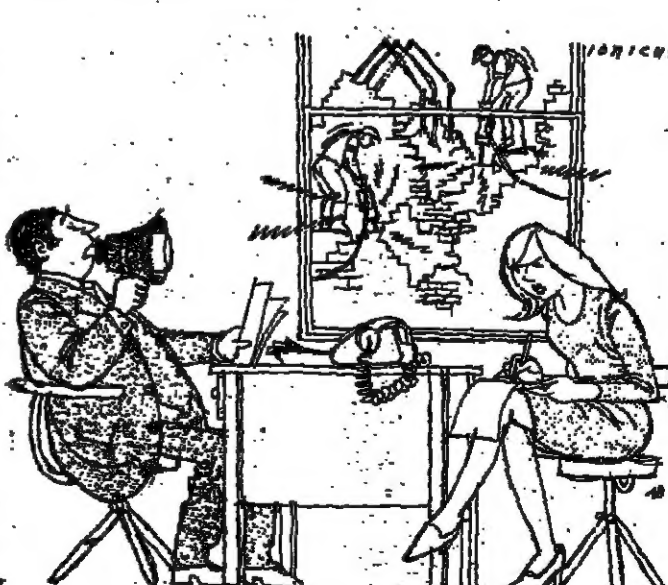
Syringing was not easy and I had to have three goes at his adamant wax. Eventually I got down to something that did not look human. Indeed it was

not. It was a plug of cotton-wool of such good quality that I suspect it was pre-2nd World War. When this was extracted from an unwilling ear, the patient's hearing was so acute that he found noises like clocks and popping corks almost insupportably loud.

For protection against unwelcome visitors, the inch-long, S-shaped canal down which sound passes to the eardrum, contains hairs and ceruminous glands which produce an oily fluid to wash invaders out. It is when this oil solidifies that it becomes a nuisance to a high proportion of people.

Another conduction problem is infection of the Eustachian tube which may not only cause deafness but sometimes severe dizziness and vomiting, as the organ of balance is aggravated by increased pressure in the middle ear.

Those apart, perhaps the commonest cause of conduction deafness is otosclerosis, in which, for some unknown reason, there is an overgrowth of bone in the middle-ear which gradually stops the ossicles from moving and thus the sound waves being transmitted to the inner ear. Not uncommon, the condition begins between 18 and 35 and is progressive. Improvement is sometimes obtained by the well-established operation of "fenestration." Results are



Dear Sir, Regarding your pneumatic drill

Deafness of a sudden nature, usually arises from one of four causes: Meniere's disease (which cannot be discussed here); spread of infection from the middle ear; virus invasion during influenza or mumps, etc.; and auditory concussion, as in a loud explosion. The latter is usually temporary but the outlook for the others is not very encouraging.

Nerve deafness of gradual and progressive nature is due to a variety of causes but the commonest is old-age. This is

seldom "pure" nor are they of a constant pitch or intensity. The total sound is an accumulation of noises which may be caused by speech plus type writers plus road-traffic and, possibly, pneumatic drills outside. Although no deafness is likely to occur at levels below 85 decibels, there is a great difference in individual sensitivity to noise—particularly that of an intermittent nature.

This type of noise, if excessive, will cause irritability, reduced morale and, therefore, affect work output. Every effort to reduce noise should be made by using double-glazing, sound-proofed walls and ceilings and employing as quiet machines as possible.

When an individual is subjected to noise levels of over 90 decibels, nerve deafness will develop. This is due to the gale effect on the tiny sensory hairs on the inner ear, which eventually wither and rise.

Tracing causes is not so simple. I saw a young man recently who complained that he could no longer hear his guitar. He was found to have early nerve-deafness over a very wide range. Having ascertained of loudness ordinary speech that the poor soul spent his leisure hours in a "group," I measured 100 decibels, and a took a decimeter to his party big fat taking-off, up to 150 and, when it hit 120 decibels, I turned it off so as to protect But sound levels in offices are its needle and my sanity.

مكتبة مصر

OVERSEAS NEWS

'A bad time' for Africa if Rhodesia talks fail—Kaunda

BY GRAHAM HATTON

JOHANNESBURG, August 10.

A WARNING that Southern Africa was in for a bad time unless the Rhodesians continued to negotiate was issued by Zambia's President Kaunda today in the wake of apparently final discussions in Pretoria yesterday between Mr. Smith and Mr. Vorster.

The Zambian President's remarks were published in today's Johannesburg Sunday Times. President Kaunda said: "The question is whether Mr. Vorster will prevail in persuading Mr. Smith to accept the importance of continued negotiations. I hope Mr. Vorster succeeds. If not, we are in for a bad time."

Judging from the joint statement Mr. Vorster made with Mr. Smith yesterday, some success has indeed been achieved. The statement said: they had had "very fruitful discussions" and agreed to proposals which if implemented by all parties concerned could lead to a settlement of the issues involved. Further announcements will be made in the near future it added.

The next step it seems is to sell the Vorster-Smith proposals to Rhodesia's black nationalists—and here South Africa's decision to withdraw its para-military forces from Rhodesia will be a helpful factor.

Times interview to-day President Kaunda said he was delighted that Mr. Vorster has withdrawn his forces from Rhodesia. "I welcome this move because it lessens the areas of difference between South Africa and Zambia."

John Stewart reports from Cape-

town: Nationalist Government observers here believe that, at bottom, Mr. Smith and Mr. Vorster have agreed to proposals which they believe could lead to the convening of preliminary talks with a minimum of delay. They believe that Mr. Vorster may have succeeded in talking Mr. Smith out of his refusal to hold talks outside Rhodesia, which until now has been a major obstacle to the settlement attempt.

Nationalist sources say the Smith Vorster statement is the most promising development in the Rhodesian dispute for some time. It is all the more promising, they say, when viewed against the distant likelihood that the talks were preceded by diplomatic exchanges between Whitehall and Pretoria on the essence of the recent meeting between the British Foreign Secretary Mr. James Callaghan and the leader of the African National Council, Bishop Abel Muzorewa. The visit to Lusaka last week by the South African Secretary of Foreign Affairs Mr. Brand Fourie is likewise of particular significance regarding the venue of possible talks.

Reuter reports from Salisbury: Rhodesia's Government will order the black nationalists to order a complete halt to guerrilla activity as a precondition for any further talks, informed sources said today. The sources were commenting on new proposals aimed at a settlement of the Rhodesia crisis brought back by Prime Minister Ian Smith last night from Pretoria.

South Africa acts to protect Rand

BY GRAHAM HATTON

JOHANNESBURG, Aug. 10.

IN AN attempt to conserve South Africa's hard-pressed foreign exchange reserves and avoid being forced to dump part of the nation's official gold stock on the free market, Pretoria this morning announced a comprehensive tighter money package designed to stem speculation against the Rand.

The speculation, sparked off by the recent decline of the pound sterling and appreciation of the U.S. dollar (to which the Rand is pegged at a rate of R1=£1.40) was rapidly draining the country's foreign exchange reserves and bringing nearer the day when South Africa would be forced to dump part of its considerable official gold stock on the Zurich and London gold markets.

The package, announced this morning in two parts by the Minister of Finance and the Governor of the South African Reserve Bank, includes: an increase by half of one per cent. to 8½ per cent. in bank rate; increased banks' liquid asset requirements; various relaxations of exchange control designed to facilitate foreign borrowing by businesses and banks; and extended forward cover facilities for importers.

In addition, moves are afoot to make the blocked-Rand transferable between foreign—debt object being to make investment in South Africa generally more attractive. Details have still to be finalised.

The key to the package is the permission granted to banks and businesses to borrow abroad. Pretoria plainly hopes that by tightening liquidity and raising interest rates at home, it will persuade South Africans to look overseas for funds, thereby strengthening the balance of payments.

Rabin says Israel is not a nuclear power

BY L. DANIEL

JERUSALEM, August 10.

ISRAEL is not a nuclear power and will never be the first to introduce atomic weapons in the Middle East, Israeli Premier Menachem Begin said today in answer to a question. Speaking at a joint Press conference with Mexican President Echeverria, Premier Begin confirmed that there had been forward movement in the negotiations with Egypt, though differences remained on key questions.

President Echeverria disclosed officially that he had sent his Foreign Minister to Cairo on Friday for consultations with President Sadat on possibilities of furthering negotiations for the proposed interim agreement.

Ashland details \$1.2m. of political payments

BY ADRIAN DICKS

WASHINGTON, August 10.

UNDER strong pressure from the Securities and Exchange Commission, Ashland Oil over the week-end released details of its \$1.2m. list of political contributions in the U.S. and abroad during the years 1967-73.

In addition to some two dozen payments to American politicians—campaigns—in apparent violation of the Federal statute prohibiting such contributions—the Ashland statement confirmed earlier reports of a \$150,000 payment to President Albert Bongo of Gabon. It also showed that Mr. Nguema Ndongo and Mr. Paulin Ampamba Gouerangué, members of the Gabon Government, received respectively \$40,000 and \$12,000 in 1972, the same year that Mr. Bongo was also favoured with Ashland's generosity.

Two smaller payments, totalling \$10,000, were made to officials of the former Libyan regime, while another recipient was Sen. Miguel R. Garrido Alvarez, a senior diplomat of the Dominican Republic, apparently in connection with a refinery project in his country.

Some of these payments abroad were illegal under U.S. laws. The SEC's interest in the seemingly vast pattern of bribery and discreet political meddling overseas by American companies stems from its obligation to see that managements report truthfully how shareholders' money is spent.

The Commission is therefore trying hard to persuade companies to disclose voluntarily, and who received their largesse, and

Reserve Bank, includes: an increase by half of one per cent. to 8½ per cent. in bank rate; increased banks' liquid asset requirements; various relaxations of exchange control designed to facilitate foreign borrowing by businesses and banks; and extended forward cover facilities for importers.

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OECD is optimistic on Japan economy

By Robert Mathison

PARIS, August 10.

AFTER the longest and most severe recession in Japan's post-war history, the indications are that the worst is over and that economic activity in the country has begun to recover, according to the latest survey of the Japanese economy due to be published by the OECD Secretariat to-morrow.

On the basis of present trends and policies, the upturn in activity which started in the second quarter of 1975 is forecast to continue over the next twelve months, though at a much slower pace than during previous periods of recovery.

In an initial period, stock-building, public works and residential building should provide the impetus, while the growth of private consumption is expected to remain moderate. Subsequently, exports are also expected to respond to the faster expansion of world trade and, finally, the currently depressed state of business fixed investment may come to an end as the result of more buoyant domestic and foreign demand.

According to the OECD Secretariat's scenario, real GNP is expected to rise by 5 to 6 per cent. over the next 12 months, roughly in line with the rate at which productive capacity is currently rising. But this implies that the substantial margin of slack which has developed since the beginning of 1974 would remain and that the recovery would soon peter out if not boosted by new policy measures.

Since demand from Japan's main export markets is not expected to pick up until late in the year, exports in volume are expected to continue their first-half decline in the second half of 1975. But given the present level of imports in the first half, the large trade surplus recorded during this period and an expected improvement in the terms of trade, the trade balance could well register a surplus of more than \$6bn. in 1975, while the current account may be close to equilibrium.

The OECD warns, however, that because of the probable faster expansion of imports than exports from now on, the current surplus in the first half of 1975 is likely to be replaced by a moderate deficit during the 12-month period to mid-1976.

The report, on the whole, praises Japan's economic performance over the past two years, pointing out that not only has the balance of payments improved markedly, but that the rate of inflation has been brought down from over 30 per cent. a year ago to an underlying annual rate of less than 10 per cent. now.

At usual, however, the Secretariat's economists are in two minds about how wide-ranging the measures to stimulate economic activity should be.

On the one hand, they emphasise that a sustained recovery of Japan's economy is also desirable from an international point of view and that, in the present situation, countries with a good price performance and low inflation have been problems should take the lead in stimulating world economic activity. On the other hand, they warn that there are still latent inflationary pressures which could be sparked off by a strong upturn in demand and that caution must remain the watchword.

W. German call for stringent saving

By Jonathan Carr

BONN, August 10.

STRINGENT saving measures in several key fields including development aid, health, transport and agriculture policy are being urged on the West German Finance Minister by a council of experts. The recommendation is made with the warning that the State deficit may not drop significantly below this year's level even when the current recession is over.

In a report ordered by the Ministry and likely to be released shortly, the council faces up to the problem which is bound to give the Government increasing difficulties in coming months—how to deal with the record deficit in the public sector.

In essence, there are two solutions—to raise taxes or to cut back expenditure, neither remotely attractive to a Government facing a general election next year. The Finance Minister Hans Apel has once indicated that when the long-awaited economic upturn begins, then tax increases will have to follow. He was promptly attacked from all sides.

On the other hand the savings measures Bonn has already introduced have stirred trouble, not only at home but among West Germany's Common Market partners.

The accent, it says, should lie on savings in a whole series of sectors—not least on personnel in the public service. The council sees tax increases only as a last resort, noting for example the boost to prices which an increase in VAT would bring.

The Ministry is not bound to accept these guidelines. But already the Government is finding it difficult to date—namely borrowing Federal, regional and local authorities still need to borrow another DM25bn. by year's end, and this is likely to be one of the main problems discussed at the Bundesbank council meeting next Thursday. For 1976 the problem appears more difficult still.

New Zealand dollar devalued by 15%

WELLINGTON, August 10.

THE NEW Zealand Government today announced a 15 per cent. currency devaluation which Prime Minister Wallace Rowling said was not imposed by outside influences.

Mr. Rowling said the New Zealand dollar would be allowed to float finding its own value within certain limits in relation to the currencies of a group of the country's main trading partners, funds of the meat, dairy and wool boards so that they can now be worth about the same as on paying farmers' prices, the U.S. dollar, and once again will be worth about half the value of the pound sterling.

The new rates of exchange with the Australian dollar will not be available until Australia has established its rate with the U.S. dollar this week.

Mr. Rowling said a charge by opposition leader Robert Muldoon that the devaluation was due to international Monetary Fund pressure could not have been further from the truth. He said the alternatives to devaluation were harsh import controls and unemployment.

The Australian Government had not been consulted about the move but had been told of the decision on Friday night, Mr. Rowling added.

Sterling

The Prime Minister said the devaluation would give a significant boost to New Zealand exports particularly to Australia.

On Friday, the New Zealand dollar stood at 1.2479 to the U.S. dollar. Its notional value to-morrow, had there been no devaluation, would have been 1.2488. Its actual value to-morrow after devaluation will be 1.0606.

Friday's value against the pound sterling was 0.5880. The notional value to-morrow would have been 0.5883 but to-morrow's actual value will be 0.5040.

Reuter's John Chatterton writes: The devaluation of the New Zealand dollar comes as no surprise. The general collapse in the world values of meat, wool and milk products over the last 18 months, added to the weakness New Zealand trade

INTERIM STATEMENT

J. Bibby & Sons Limited

Interim Report for the 26 weeks ended 28th June, 1975

	26 weeks to 28th June, 1975	26 weeks to 28th June, 1974	52 weeks to 28th Dec., 1974
	£'000	£'000	£'000
Sales	60,283	63,299	124,162
Profit before taxation	398	609	1,846
Profit/(Loss) attributable to parent company shareholders	197	(186)	485
Dividend	1.4%	1.4%	4.986%

Extracts from Mr. J. B. Bibby's statement to shareholders:—

For the rest of the year your Board expects the Feeds and Seeds and the Farm Products Divisions to maintain their improved performance and, although Henry Cooks is unlikely to reach the record level of profit recorded in 1974, it too should make a satisfactory profit. Conditions for the Edible Oils Division should improve slightly as market demand recovers.

Given no further deterioration in the overall economic situation, a final result not far short of 1974 should be attained.

The Board declares the same net interim dividend—1.4%—as last year, which is equivalent to a gross dividend of 2.18% (1974: 2.09%).

I referred in my last Annual Review to the dispute which had arisen over the sale of our interest in Cip-Zoo S.p.A. with the purchaser, Liquifin A.G., a subsidiary of Liquigas S.p.A. The dispute has still not been resolved and the August payment now due has not been received. Your directors are taking all necessary steps to resolve the dispute and to obtain the payment to which the company is entitled.



J. Bibby & Sons Limited...
Richmond House, 1 Rumbold Place,
Liverpool L3 9QQ.



SECURITY PACIFIC NATIONAL BANK

CONSOLIDATED STATEMENT OF CONDITION
JUNE 30, 1975

RESOURCES		LIABILITIES	
Cash and Due from Banks	\$ 2,554,878,208	Domestic Demand Deposits	\$ 3,900,493,765
Investment Securities		Domestic Savings Deposits	2,022,464,685
U.S. Treasury Securities	586,023,379	Domestic Time Deposits	3,989,395,370
Securities of Other U.S. Government Agencies and Corporations	481,909,678	Foreign Deposits	1,723,947,702
State & Municipal Obligations	815,585,992	Total Deposits	\$11,636,301,522
Other Securities	54,984,513	Borrowed Money	1,384,600,917
Trading Account Securities	55,441,844	Acceptances Outstanding	208,531,640
Total Securities	\$ 1,993,945,406	Accrued Interest, Taxes and Other Expenses	185,611,441
Federal Funds Sold	148,370,500	Interest Collected - Unearned	138,862,919
Loans	8,674,858,297	Other Liabilities	21,428,286
Direct Lease Financing	278,427,454	Total Liabilities	\$13,575,336,725
Bank Premises and Equipment	343,165,425		
Customers' Acceptance Liability	206,461,346	RESERVES	
Earned Interest Receivable	125,197,434	Reserve for Possible Loan Losses	\$ 158,324,503
Other Assets	101,497,494	CAPITAL ACCOUNTS	
TOTAL RESOURCES	\$14,426,801,564	Capital Stock	\$ 274,519,800
		Surplus	275,480,200
		Undivided Profits	143,140,336
		Total Capital Accounts	\$ 693,140,336
		TOTAL LIABILITIES, RESERVES & CAPITAL ACCOUNTS	\$14,426,801,564

508 BANKING LOCATIONS

MEMBER FEDERAL RESERVE SYSTEM - MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Head Office: 333 South Hope Street, Los Angeles, California 90017. Other branches or offices: Frankfurt, London, Tokyo, Hong Kong, Manila, Mexico City, Paris, São Paulo, Singapore, Sydney, Security Pacific International Bank, New York. Affiliates: Marac Holdings, Ltd., Auckland. The Bank of Canton, Ltd., Hong Kong, with branches in Bangkok, Kuala Lumpur, Singapore and a subsidiary in Macao. Western American Bank (Europe) Ltd., London. Investment and Underwriting Corporation of the Philippines, Manila. Tricontinental Corporation, Ltd., Melbourne. Security Pacific International Bank, S.A., Panama. Banco Denasa de Inversión, S.A., Rio de Janeiro.

NEW ISSUE

All of these securities have been sold. This announcement appears as a matter of record only.

August 7, 1975

20,000,000 CANADIAN DOLLARS

BENEFICIAL FINANCE INTERNATIONAL CORPORATION

9½% NOTES DUE JULY 15, 1980

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 International Marine Banking Co. Interbanque Istituto Bancario San Paolo di Torino Kidder, Peabody International
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A new incomes policy, operated for probably a generation, must be introduced when the present pay limits end, argues Douglas Jay, MP

We need an impartial umpire

WHAT SORT of long-term upward prices spiral of early control over incomes is the 1975. Government going to introduce the present 56-a-week emergency plan expires next August? This is the issue which really matters—far more than the comparatively minor question of what sort of statutory powers may prove necessary to hold the line in 1975/76.

There is widespread support for the view that direct controls will be needed as well as monetary restraint if we are to avoid an intolerable and perhaps accelerating all-round rise in prices and fall in the value of money. The only alternatives are either to continue the last six months' rick's progress, which would probably lead to South American-style inflation, or to impose ruthless budgetary and monetary restraint without incomes control. On all the evidence, would lead not merely to heavy unemployment but also to nil growth and disastrously low investment for some years. Neither alternative is very inviting.

Truth

What has perhaps been not so generally realised, or at least admitted, is that the dilemma is far from short-term but is likely to prevail in this country at any rate and probably many others, for the foreseeable future. It would be a great gain if everyone concerned could now accept the truth that a new incomes policy has got to be devised and operated for probably a generation, just as explicitly as full employment was embraced as the long-term objective in 1944-45. For we now know that one requires the other. Without any policy, the dilemma would be just the same in August 1976 as in August 1975; and if we merely give in and open the sluice gates then, we shall in a few months be back in a few months to the 20 per cent. or 30 per cent.

operate within the limits of practical economic growth within a given year. And it must imply some simultaneous control of dividends and prices. Any such operation must be so complex, difficult and highly controversial that (unless it is decided by sheer market forces, with the results suffered in the past two years) it can succeed only if it is entrusted to a permanent, independent, national tribunal which enjoys the highest possible status and reputation. The Government itself cannot do this job, since no minister in any government could remain above political conflict, or be regarded as impartial by many, for very long. I see no escape from the conclusion that so delicate a task can be performed only by a reconstituted incomes board, independent of the Government, and appointed explicitly as a permanent authority.

Last resort

Such an authority would be a tribunal of last resort. Its existence would not necessarily mean the abolition of the host of existing "review bodies" though the Board would have the power to over-ride their awards. It is essential that the whole employed population should come within its jurisdiction, from judges and top civil servants to the lowest paid manual workers. The board could then scrutinise an individual claim not just on its alleged individual "merits" but in the light of all the others coming forward and of the economic realities of the moment. One of our besetting troubles in the last few years had been the plethora of separate review bodies, each of which becomes an unconscious advocate of its own vested interest. Hence for instance the recent provocative award to highly paid civil servants.

Cynics will, of course, argue that no such system can work without statutory powers to enforce decisions, and that public opinion will not support the grant of such powers. But experience has not yet proved this dilemma to be absolute. What the last two years have shown is that a voluntary policy without an umpire and without a strict monetary regime does not work. It has not yet been proved that a voluntary policy with a really respected umpire and strict monetary control cannot work.

Abolished

The Labour Government's Prices and Incomes Board of the late 1960s and the Conservatives' Pay Board of 1973 did not fail. They were both abolished by an incoming government—a sad example of party government at its worst. The PIB had in fact by 1970 built up an impressive record for thoroughness and impartiality, and its judgments were coming to be ever more widely accepted.

A new authority set up next year as a permanent institution would enjoy at least three advantages over the old PIB. First, it would be expected to learn from bitter experience in 1975 the realities of accelerating inflation. And third, some basic legal powers have been granted by Parliament to the present Government, which could be strengthened if further experience showed this to be needed. Naturally, this sort of solution, however carefully the details are worked out, could not guarantee success. But it is not impracticable—it is the best chance we have; and the stakes are high. There can, of course, be no certainty that some group will not some day strike against the umpire's decision. But at least the maximum pressure of public opinion would be mobilised against such a strike's being called, and there would be the minimum of public support for it if it were.

GOLF: U.S. PGA

BY BEN WRIGHT

Nicklaus leads with magic round

AKRON, Ohio, Aug. 10.

JACK NICKLAUS' daunting 16th, slumped to a 75 after his psychological power over even second round record of 69, and his most experienced rivals was instead of being four shots ahead, never demonstrated more clearly of Nicklaus, as he was yesterday's third round morning, he is now four behind the 57th U.S. PGA Champion in second place.

While all around him moved forward behind Crampton, played re-determinedly backwards to respectably for his third round founder in his wake, Nicklaus score of 73, but one bad hole, put together a three under par the sixth, cost him seven shots, round of 67 to spread eagle the and he now is in third place at field at five under par 205, his level, nar 210, five behind previous rounds having been 70 Nicklaus.

Bruce Crampton of Australia, at the half-way stage, Mark Hayes still seeking his first major title (75), Bob Wynne (80), John as Nicklaus bids to-day for his Schies (75), Al Geiberger (80),

Leyland deal with Korea attacked as 'madness'

BRITISH LEYLAND'S decision to supply equipment and highly skilled technicians to go out to Korea to instal and prove this equipment to get it in production as quickly as possible was denounced yesterday by Mr. Douglas Hoyle, Labour MP for Nelson and Colne, as an act of "sheer suicidal madness."

In a Commons written reply last week, Mr. Gregor Mackenzie, Minister of State, Industry, told MPs: "British Leyland has no financial interest in Hyundai Motors. British Leyland, in common with a number of other British manufacturers, is supplying equipment to them."

"Any unwillingness to supply on the part of the United Kingdom companies would merely be to the advantage of manufacturers in other countries."

But Mr. Hoyle has now written to Mr. Eric Varley, Secretary for Industry, urging him to investigate this to "get rid of the people on the Board who are responsible."

Mr. Hoyle said: "The logic of this escapes me. British Leyland quite rightly, have complained about the flood of Japanese cars coming into this country with the threat which that entails to British jobs."

"Yet in the next breath from the Government we hear that they are actually materially helping to supply jigs, dies and fixtures to another potential competitor in the Far East. Not

LATEST WILLS

Mr. G. J. Stewart, founder of Stewart Smith Insurance group (now merged into Stewart Wrightson) left gross estate in England and Wales of £713,745. Mr. Stewart was resident in New York.

Sir Ralph Hawtrey, a former Price-Professor of International Economics at Chatham House, and a former president of the Royal Economic Society, left £43,200 gross.

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Amalgamated Metal Corporation Limited

Interim Statement for the six months ended 30th June 1975

Audited results for year 1974 (Restated)	Group turnover	Unaudited six months to 30th June 1975	Group turnover
£'000		£'000	
753,000		320,000	
12,097	Group profit before taxation	2,770	7,070
5,485	Taxation	1,480	3,100
888	Minority interests	370	400
6,353		1,860	3,500
5,744	Profit before extraordinary items	920	3,570
(898)	Extraordinary items	480	(100)
4,846	Net profit after tax	1,410	3,470
	Earnings in pence per £1 ordinary share		
89-6p	Before extraordinary items	13-7p	55-6p
75-3p	After extraordinary items	21-5p	54-3p

The merger between Amalgamated Metal Corporation Limited and Consolidated Tin Smelters Limited became effective on 25th July 1975. The results reported above reflect the new corporate organisation. The comparative figures for 1974 are restated on a comparable basis.

The following are extracts from the interim statement released on 8th August 1975:

- The level of trading and profit margins have been affected by slow down in industrial activity which has now been in progress for some months. Bearing in mind these conditions, the Group profit before taxation of £2,770,000, is reasonably satisfactory, the comparable figure for 1973 would have been £2,038,000.
- The extraordinary profit represents differences on assets held abroad, less the estimated merger expenses of £125,000.
- The Directors have declared an interim dividend of 4p per ordinary share in respect of the year ending 31st December 1975.

Amalgamated Metal Corporation Limited, 2 Metal Exchange Buildings, Leadenhall Avenue, London EC3V 1LD

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

It does not constitute an invitation to the Public to subscribe for or purchase any shares.

BRITISH LEYLAND LIMITED

(Incorporated under the Companies Acts 1948 to 1967)

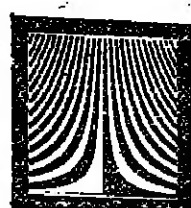
Authorised Share Capital
 £150,000,000 in Ordinary Shares of 50p each Issued and fully paid £29,634,557

The Council of The Stock Exchange has admitted to the Official List all the Ordinary Shares of 50p each issued pursuant to a Scheme of Arrangement dated 18th June, 1975 which became operative on 11th August, 1975 and whereby the Company acquired the entire issued share capital of British Leyland Motor Corporation Limited. Particulars relating to the Company are available in the Extel and Moodies Statistical Services and copies of these particulars may be obtained during usual business hours on any weekday (Saturdays and public holidays excluded) up to and including 3rd October, 1975 from:—

HILL SAMUEL & CO. LIMITED
 100 Wood Street, London EC2P 2AJ

OR
 LAING & CRICKSHANK
 The Stock Exchange, London EC2N 1HA.

مكتبة

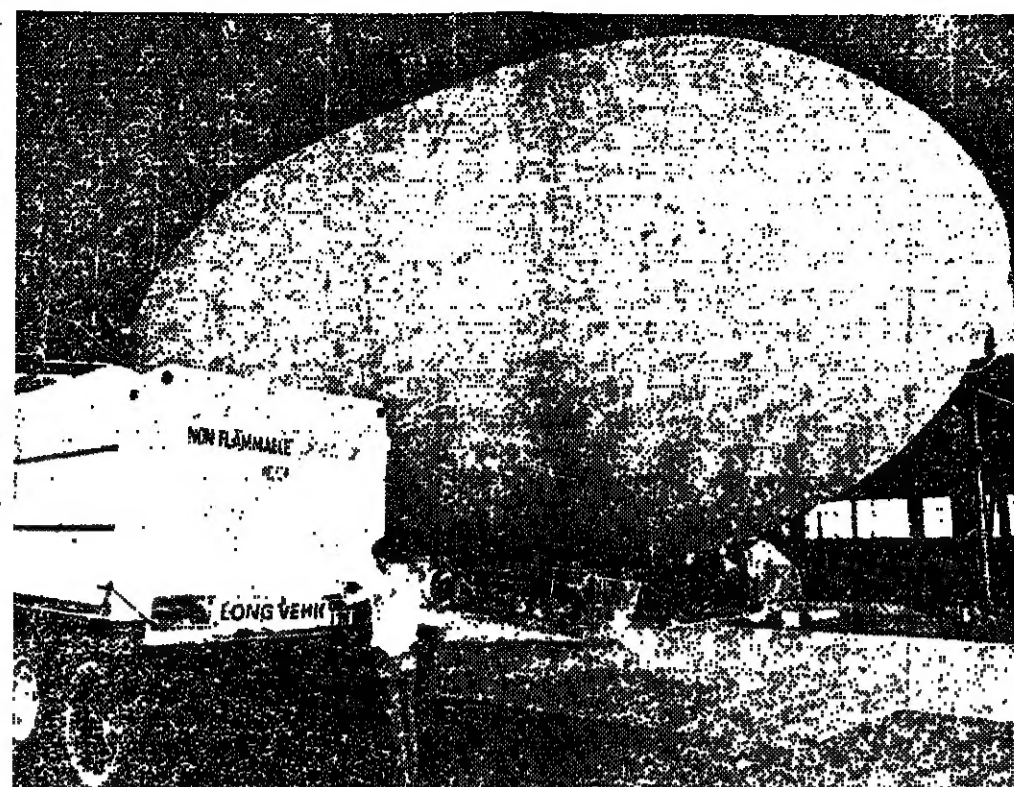


The Technical Page

EDITED BY ARTHUR BERNETT AND TED SCHOETERS

RESEARCH

Small airship for survey work



Santos Dumont being filled with helium in the old RI01 hangar at Cardington.

BRITAIN'S first airship, the Santos Dumont, is being extensively tested at RAE Cardington, Beds. No other flying machine is so tested at RAE Cardington, Beds. The airship is 72 feet long, 22 feet high and has a maximum speed of 30 knots (34 mph). Its fuel consumption is no greater than that of a family car. The airship is being used for a variety of purposes, including aerial surveys, photography and research. The airship is being used for a variety of purposes, including aerial surveys, photography and research. The airship is being used for a variety of purposes, including aerial surveys, photography and research.

development of other airships. In the past it has been hampered by the necessity of using hydrogen as a lifting gas, rather than helium.

Refining agreement

FOR SOME years the National Institute for Metallurgy, South Africa, has been conducting research into the processing of platinum group metals. Impala Platinum has now signed an agreement to investigate the feasibility of refining the company's rhodium, ruthenium and iridium by the NIM process. Pilot scale studies will be conducted with a view to installing an additional plant at the Springs Refinery, near Johannesburg, which would use the NIM process and it is hoped, appreciably shorten the in-plant lock-up of these metals.

FINISHING

Better barrel polisher

BARRELLING UNIT and separating unit are all in one basic package which can be mounted on a portable stand in the improved range of Vancor barrel finishers introduced by Acro-Vu, 29, Burners Lane, Kiln Farm Industrial Estate, Milton Keynes, Bucks. MK11 3BU (0508 15040).

Deburbing, polishing or descaling of components is carried out in the usual way, but to empty the barrel, the lid is removed and the barrel rotated until the contents fall into a sloping trough which leads to the washer and separator.

A mesh tray (mesh size can be varied) separates the load from the effluent which is discharged through a drain. Electrically driven, there is a choice of three barrel speeds. The barrel has a resilient jointless lining.

Potential users are invited to send a sample component to the company to see whether barrel deburring or polishing is suitable for their products.

ELECTRONICS

Accurate spark erosion

NEWLY DESIGNED spark erosion equipment is being built in two standard sizes, and special sizes on request, by N.E. Eroda Machinery, Low Mills, Ravenshorpe, near Dewsbury, West Yorkshire WF15 3LX. Features developed in both the machine and the generator represent a significant step forward in spark erosion technology, the company believes.

Exceptionally low rate of wear of the electrode, confined almost entirely to the electrode working face, with only minimal wear at the sides, is claimed. As a result, one electrode will usually serve throughout an entire job, whereas two or more might normally be required. The cavities being produced will be extremely accurate, even where they have a sloping bottom.

Features of the mechanical structure include, for example, three of twin precision rods and ball-bearing bushings for all guideways, to give virtually frictionless operation and very precise tracking.

Total positioning accuracy is guaranteed to 0.0004 inches, and actual working accuracy is within 0.0001 inches.

The generator is built up almost entirely from integrated circuit modules. It incorporates a mini-computer which constantly monitors conditions at the spark gap, and there is an Auto-Trim system which automatically maintains generator balance and so relieves the operator of much of the onus for making adjustments as erosion proceeds. The various controls and switches have been designed for maximum ease and simplicity, and recognised international symbols are used to indicate their functions. Multiple-channel facilities enable many electrode set-ups to be arranged when required.

Eroda is at Mirfield 494608.

Big robot from ASEA

ASEA, manufacturer of electrical and mechanical equipment with headquarters in Västerås, Sweden, has added to its industrial robot programme a new unit with a handling capacity of 60 kg.

Its design and appearance are basically similar to those of ASEA's smaller robot which has a 6 kg handling capacity.

Unlike other industrial robots available on the market, ASEA's units are of all-electric design and are silent in operation. Their bearings, transmission elements and cabling are enclosed and well protected.

The separate control equipment is based on microcomputer technology so as to assure a large programming capacity and advanced control functions. The robot movements are pre-set

with a portable programming unit.

In addition to normal applications, the ASEA robots are highly suited for more demanding tasks such as welding, grinding, deburring and advanced machine service.

Copy miller has uprated output

INTRODUCTION of adaptive control and other refinements have improved the capabilities of a multi-spindle copy-milling machine to the extent that the new version has output rates better by 30 to 50 per cent than the original model.

An electronic tracer head permits angles up to 90 deg. to be copied using very light and constant stylus roller pressures. Electro-servo valves are fitted on all the axis drives, giving increased drive stiffness and faster response. The maker, Rigid, of Rorschacherberg, Switzerland, says that these features produce high feedrates as well as high accuracy.

The company quotes as an example the use of the machine to mill four turbine blades at a time, of highly twisted form. Stock removal amounts to 5 mm thick shrouds all round a blade along the length of the blade is 1.5 mm per revolution. Previous production time was 183 minutes, compared with 117 minutes — an increase in output of 56 per cent.

SERVICES

Cuts payroll costs

A NUMBER of Lowndes-Ajax payroll service customers are benefiting from Lowndes-Ajax's use, on their behalf, of the Bankers Automated Clearing Service. Ten of the clearing banks are the sponsors of BACS, which is an alternative to the traditional credit transfer system.

The new system requires that Lowndes-Ajax, instead of producing credit transfers, record the same details on a magnetic tape which is sent to the BACS Computer Centre.

The processing cycle of data processed by BACS is 3 working days—the tape received by BACS on day 1, and the debits and credits posted on day 3. Since the credit (to the employee) continues to be made on day 3, as with credit transfer, but the debit (to the company) is now also made on day 3 instead of day 1, this provides at least 2 days' credit over normal credit transfers.

Assuming that an employee is paid £250 per month net, and with the interest rate at 12 per cent, these two days' credit are worth 18p, which is more than the cost, per employee, of processing the payroll with Lowndes-Ajax.

In addition to saving the cost of the services, the user also saves the cost of credit transfer stationery, and the general paper work is reduced. This service is also offered by Lowndes-Ajax at Exeter and Liverpool Computer Centres.

Further details from Weir Larsen, Lowndes-Ajax Computer Service, Philip House, Lansdowne Road, Croydon CR9 2XG. (01-881 2886).

INSTRUMENTS

Amplifiers on test

A SEMI-AUTOMATIC system for measuring the characteristics of dc operational amplifiers has been developed. It will check the bias current, offset voltage, current, supply current and transfer function of the device under test, with a minimum of operator adjustments. It is said to be suitable for laboratory work, quality assurance tests, and for production limit testing.

The instrument, which may be powered from 110 or 240 volt mains, does not include its own display and should be used with a dc coupled oscilloscope.

System flexibility is said to be ensured by the use of a plug-in module to connect the component being tested to the tester. This module carries a test socket and contains any test components (such as frequency compensation) which may be needed for the correct operation of the device under test. A range of modules is available including expanded modules for 24, 25 and 36 pin packages.

Also available is a meter for making direct determinations of cyanide concentrations in aqueous solutions. Applications include the testing of potable and surface water, plating baths, industrial effluents, sewage, plant tissue, and even cigarette and other tobacco smokes.

Concentrations from 0.02 to 20 ppm are covered, and measurements may be made in a few minutes—operation can be by relatively unskilled staff. The top and bottom of the selection range are standardised with solutions of known cyanide concentration and readings are taken from the unknown samples.

Both instruments are being marketed by Theta, PO Box 10, Martock, Somerset TA12 6LT (059582 3745).

CONTRACTS AND TENDERS

Afghanistan Highway Maintenance Programme—Stage II
International Tender for Supply of Highway Maintenance Equipment to the Ministry of Public Works, Afghanistan.

NOTICE OF INVITATION TO TENDER

The Republic of Afghanistan has received a Credit of US \$ 11.5 million from the International Development Association (I.D.A.) towards the cost of the Afghanistan Highway Maintenance Programme Stage II and it is intended that the process of this credit will be applied to payments in various currencies under the contract for which this invitation to bid is issued.

In this connection the Ministry of Public Works of the Republic of Afghanistan is calling for international tender for the supply of the following types of equipment and materials:

Dump trucks, Mobile workshop trucks, Bitumen Distributor trucks, etc.
Tractors with and without low bed trailers, 4.5 ton trailers (jeeps and small cars).
Loaders, Bulldozers, Graders, Rollers, Cranes
Agriculture type tractors
Pumps, Concrete Mixers, Asphalt finishers, Compressors
Traffic Line Markers, Generators
Snow Blowers
Crushing Plant and Chipping Spreader
Mechanical Workshop Equipment
Engine Power Units
Lubricants
Tyres, Batteries and Spare Parts
Bitumen and Asphalt
Steel
Explosives
Road Surface Marking Materials

The Ministry of Public Works of Afghanistan herewith invites all interested parties that have adequate experience in the manufacture of such equipment and materials to submit their formal request to obtain the bid documents not later than the 30th August, 1975, from the following address:

Off-shore Procurement,
Road Construction and Maintenance Department,
Ministry of Public Works, P.O. Box 577,
Kabul, Afghanistan

The bid documents will be available to interested parties. Only goods produced in and supplied by the firms from the member countries of the International Bank for Reconstruction and Development and (Switzerland) are eligible for this tender. Only manufacturers of equipment and their approved representatives may submit tenders. All Communications should be in English.

Eng. A. H. Kazi
President RCMD

INVITATION FOR BIDS

Scaled bids for following equipment will be received by Equipment and Supply Division of State Hydraulic Works (DSI) of Turkey.

No.	Description	Bid Deadline and hour
75-30T-16	Crawler Type Tractor-Angledozer (25 each)	September 1, 1975—02.00
75-30T-18	Crawler Mounted Drag-line Excavator 1. 1/2 Cu. Yd. (12 each)	September 2, 1975—02.00
75-30T-29	Crawler Mounted Drag-line Excavator 1 Cu. Yd. (6 each)	September 3, 1975—02.00
75-30T-31	Station Wagons, 4WD, 8 persons (3 each)	September 4, 1975—02.00

1—The offers can be submitted only from the member countries of "INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT" and "INTERNATIONAL DEVELOPMENT ASSOCIATION" and from Switzerland.

2—BID FORMS may be obtained from "DSI GENEL MÜDÜRLÜĞÜ" Makina ve İkmal Dairesi Başkanlığı, Yüceceği ANKARA—TURKEY in return for a cheque in the amount of \$7.00.



LIBYAN ELECTRICITY CORPORATION

Invitation for submitting Bids for Installing Tripoli East Steam Power Station to be integrated with Existing 220KV system.

Tenders are invited by the Libyan Electricity Corporation to submit their bids for supply, erection, construction and handing over in a perfect complete working order of a turbo-steam power station and desalination plant all namely Tripoli East Power Station, the site of which overlooking the sea at a place approximately 125 kilometres East of Tripoli City and approximately 35km. east of the ancient ruins of Leptis—Rhoms Governorate.

The project shall mainly comprise the following:
1. 4—120MW steam turbogenerator units and annexes to be integrated into the existing 220KV system of the Libyan Electricity Corporation Tripoli Branch.
2. 4—1000000 per day each, desalination units of the flash evaporator type complete with all relevant annexes.

The tender specification and drawings shall be available for sale at the Tenders and Contracts Division of the Libyan Electricity Corporation, Haleb Street No. 1 Tripoli P.O. Box 688 as from Saturday June 14th, 1975 through all official working day at office hours.

The price of the one copy of tender specifications, which is to be filled in and submitted with the other required photostated copies, in closed sealed envelopes, by would-be tenderers, is L.D. 200/- (Two hundred Libyan Dinars).

The last date fixed for handing tender offers complete with documents in closed sealed envelope is 11 a.m. Monday December First 1975.

The tender envelopes shall be opened and prices read publicly 12.00 noon same day in the presence of tenderers delegates who are not to be more than three persons per tenderer.

If the tender opening date happens to fall on a public holiday then the tender opening procedures shall be postponed until the first next working day, same time schedule.

Any offer not accompanied by specified tender guarantee of L.D. 100,000/- (One hundred thousand Libyan Dinars), shall be ignored.

Tenderers entitled for tendering are only the following:

a. Local tenderers enlisted as Contractors grade (1).

b. Foreign tenderers enlisted as first grade International Contracting Firms in the Ministry of Housing. All should give enough evidence of this before huying specification documents.

Tenders & Contracts Dept.
Electricity Corporation Tripoli/Libya
P.O. Box 688 TRIPOLI

THE CHAIRMAN

MALTA ELECTRICITY BOARD

invites offers up to 9th September 1975 for the supply of one or two reconditioned second hand turbo-alternator plants with capacity within the range of 30-60 megawatts 3 phase 50 hz suitable for operation on steam at 600 psig and 850 per cent F. The plants are to be complete with all auxiliaries and be in a good state and condition to give reliable performance in power station service.

Tender documents giving technical requirements of the plants are available from the Malta High Commission in London, Malta House, 24 Maymarket, London SW1Y 4DJ or from the Secretary, Malta Electricity Board, Church Wharf, Marsa, PO Box 6 Hamrun, Malta.

Telephone No: Malta 23601, London 930 9851
Malta Telex: 62089 62099 62142 61231
Cable Address: Electricity Malta

DATA PROCESSING

CAP forms a new company

CAP U.K. has agreed to a proposal from a group of former CAP Europe product sales staff to form a new holding company to co-ordinate the marketing and maintenance of software products in Western Europe and the Middle East.

On the continent of Europe this company will operate under the name of Computer Automated Products in order to avoid confusion in name with the activities of CAP Europe. It was agreed that the ownership of CAP Europe which prompted this proposal by the staff.

The initial list of products to be handled by the new organisation will be those of Applied Software, including Autoware, Librarian, MetaCobol, Roscoe and SAM—all of which are currently being enhanced. These products will be marketed in Austria, Belgium, The Netherlands, Spain, Switzerland and West Germany from October 7, 1975. This will also apply to certain Middle East countries.

Final contracts to this effect are expected to be signed with ADR shortly. Discussions will then be held between ADR, CAP Europe and the new company over the orderly transfer of maintenance for relevant client installations. In the meantime CAP U.K. will continue to provide support to products clients of CAP Europe as previously.

The first full year's turnover of Computer Automated Products is expected to be at least £800,000.

The initial staff of the company will be six senior salesmen, together with other sales and support staff from the continent and plus management and maintenance staff from CAP U.K.

The holding company will follow the pattern set by CAP U.K. in terms of staff shareholding and participation of seniors in a management meeting. Thus the sharp difference in management philosophy which caused the break with Soged, run virtually by one man.

know what they are working for—and many employees have neither the time nor the staff to tell them.

However, there is an organisation which provides an information service based on computer techniques which will tell each company employee in simple terms, yet fully, just what social security/benefit schemes are being applied, however large the company.

The benefits picture to-day is complicated by inflation and threshold payments, staff health arrangements and so on. An employer frequently pays some 30 per cent above nominal salaries for various aspects of perquisites and benefits and it often needs an expert to make a clear presentation of all the factors involved, even with a computer at his elbow.

The service can be provided on a continuous basis and, indeed, some users apply it as a matter of course to audit pension funds. It is understood to be the only one of its type in Britain.

A&A Benefits (UK), Aldwych House, Aldwych, London WC2B 4HH (01-242 0651).

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The pilot survey was completed in February 1975 and the major survey is now well under way. It is hoped that the reports will be produced in the autumn of this year.

National Computing Centre, Oxford Road, Manchester, M1 7ED (061-228 6333).

Survey on software

DOI has asked The National Computing Centre to conduct a survey into the market for computer software in the United Kingdom. The survey is linked closely with the Software Products Scheme, which the NCC operates on behalf of the Department, and a grant of £10,000 has been allocated in order to complete the survey.

Two reports will be produced from the results of the survey. The first will take the form of market guidelines for organisations making submissions for consideration under the Software Products Scheme. The second will be a report illustrating software market trends and the attitudes of both users and developers to the software available in the U.K.

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Giving the facts on benefits

NOW, more than ever, employees and workers in business and industry want to

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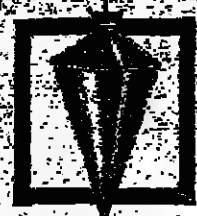
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Building and Civil Engineering

Over £7m. work for Wimpey

FOUR contracts worth over £7m. have been awarded to Wimpey, the largest from the City of Glasgow District Council associated with a £3.7m. for 350 houses and flats at Gorbals. Work starts in September and is due for completion in February, 1978.

Next down the scale is a £1.7m. award from the City of Manchester Corporation for the construction of 174 houses and a shop at Fairy Lane, Cheshire. This job is due to start on August 11.

At the British Steel Corporation's Cleveland Works, Wimpey is to build a welfare and safety centre at a cost of £369,000, while very much further afield, in Canada, the company's Toronto office is to undertake a £1.2m. worth of contracts in connection with local housing developments by Freese Homes, Stratford (£414,000), Ralston Developments, Port Dover (£198,000) and City of Guelph (£291,000).

Council to have £2.8m. offices

HIGGS AND HILL building has been awarded a contract valued at over £2.8m. for the construction of council offices at Brixton Hill, S.W.2, for the London Borough of Lambeth.

A four-storey office building is to be built with basement garage facilities. The substructure will consist of cast-in-situ bored piles with reinforced concrete pile caps, ground beams, floor slab and retaining walls. The superstructure will have a reinforced concrete frame with solid suspended slabs.

External cladding and finishes to the building will include red flooring brickwork and teak window frames. External doors and screens at ground floor level being in either bronze or hardwood.

The architect is Edward Hollamby and consulting engineers (structures) are Ove Arup and Partners.

Zip-Rib makes its debut

AS PART of what is believed to be the largest insulation contract ever placed in Europe, Kitson's Tactonic (a member of the Pilkington group) will use the Zip-Rib insulation system on heated fuel storage tanks.

The £900,000 contract is for tank insulation and offset work in the jetty area of the Seal Sands (Teesside) Project of the Phillips Norway group. Work commences this month.

Managing contractor is Simchem, a subsidiary of Simon-Carves.

Although this application for storage tank insulation is new in the U.K., the Zip-Rib system has been widely used in the U.S.

It consists of a series of roll-formed pre-insulated aluminium panels 300 mm. wide and up to 12.5 metres long which are attached to the tank by a series of clips, the number and posi-

Durnell takes £31m.

OVER THE past six weeks or so, R. Durnell and Sons, of Brasted, Kent and Reading, has been awarded a series of contracts worth a grand total of over £31m. The biggest of these involves £780,000 worth of unspecified work for the Department of the Environment at Fort Halstead.

There are two sports complexes on the list. One involves a swimming pool and is for the Borough of Luton. Total cost is £564,000 and the architect is George Grey. The other, worth £268,000, is for Sevenoaks School, architect—Kempson and Partners.

For Milton Keynes Co-operative, the group is to build a department store in Bletchley at a cost of £685,000. The Bowman Associates is the architect.

George Gray is the architect for a school at Northfleet, commissioned for the Rochester Diocesan Board. This is a £234,000 contract.

New London Properties and the company are involved in a project for a big office block at Tunbridge Wells to cost £317,000. Architect is Barton Wilmore.

For Shaftesbury Housing Association, the company is building a series of old people's flats to the design of R. Watson and Partners. The cost in this case is £248,000.

A big warehouse in Maidstone is the last of the larger contracts in a group of 11. For Charles Arkell. It is to the design of J. F. Davies and will cost £118,000.

REMARKABLE reductions in the cost of recorded accidents following the grooving of part of Highway 401—in the ring road section around Toronto—has helped to convince Canadian road authorities that this British system is the most cost-effective way of making concrete pavements safer.

Errut Products, of Kingsbury, N.W.9, which developed the system, has now won a contract to groove a further 1.5m. square yards of this type of road surface for the most effective way of making concrete pavements safer.

The £200,000 contract is for tank insulation and offset work in the jetty area of the Seal Sands (Teesside) Project of the Phillips Norway group. Work commences this month.

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Trollope and Colls to refurbish

UNDER a contract worth about £44m. Trollope and Colls is to refurbish and alter considerably the seven-storey building at 5-14 St. Paul's Churchyard, London, E.C.4—opposite the Cathedral—to provide office and showroom accommodation.

The work is to be carried out for the Church Commissioners for England. Architects are Fitzroy Robinson and Partners with John F. Farquharson and Partners as consulting engineers.

Work has begun and is scheduled to be completed by October 1977. Work on the building, which will have two basements, will

Sewerage scheme

West Lancashire District Council, as agents for the North West Water Authority, has awarded a contract valued at £562,000 to Wrenco (Contractors), for a sewerage scheme at Banks, near Southport. Consulting engineers are Ward, Ashcroft and Parkman.

When completed, all areas of Banks will be connected to the main sewerage system.

A pumping station will discharge flows to the nearby Bank End sewage treatment works, and the existing small works at Banks will be phased out.

Water watch simplified

THIS ORIGINAL WJ effluent sampler on which the Warren Jones Engineering company was founded three years ago has now been extended into a range of units in open units and accessories. The result is a permutation of equipment to solve many of the problems associated with taking correct samples of effluent in drains, sewers and rivers and even in small-bore drains.

The new model WJ40 can be supplied with a variable resistor with a tapered needle to vary the restriction of the air vent orifice over a range of 80 to 1. The needle position is set by the user according to the required sampling rate at any given depth of immersion. There are now three interchangeable intakes that permit the unit to

take accurate samples of suspended solids irrespective of external conditions, operating in quiescent or highly turbulent flows.

Another innovation is a choice of three attachments for using the sampler in different conditions. A stainless steel ballast plate overcomes the buoyancy of the units in open channels where it can be positioned on the bottom. An immersing rod is ballasted so that the sampler can be lowered into a manhole, and there are drain baffles that permit their use in drains where the depth of the liquid is insufficient to immerse the sampler.

Use of such accessories saves time and money where normal procedure would involve the clearing and testing of drains to ensure the absence of poisonous gases prior to access by workers for the installation of intakes that permit the unit to

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Use of such accessories saves time and money where normal procedure would involve the clearing and testing of drains to ensure the absence of poisonous gases prior to access by workers for the installation of intakes that permit the unit to

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Inflatable dam will hold back the sea

PIRELLI reports unqualified success with the test version of its inflatable rubberised nylon dam system over six months of trials on Italy's Adriatic coast.

The company is fully convinced that the dam can save Venice from annual floods—faster, cheaper and with greater operational flexibility than steel and concrete dams.

Cost of the Pirelli system and its installation is, at current prices, likely to be several times cheaper than conventional dams and construction and installation is expected to take about two years instead of four to five years for steel and concrete structures.

Unlike conventional dams, the Pirelli system—developed with the Italian construction firm Furlanis—will allow the tide to safely continue to scour the city's waterways and provide uninterrupted passage of shipping in and out of the Venetian lagoon.

Tests have proved that this design can give a more effective, flexible, cheaper and quick-to-install means of harnessing and controlling water for agricultural, industrial and other purposes.

Having completed its operational trials the mini dam will remain at its test location across the channel mouth linking the Adriatic with the Bonello Bacucco Lagoon on Italy's exposed Po Delta until the end of September.

It will be used for demonstration to Italian Government Ministers and officials, the Venice civic authority, civil and hydro engineers from countries throughout the world.

Over 200 feet long and made of rubberised nylon half-an-inch thick, the mini dam, when not in use, lies submerged and pinned to the seabed by specially developed clamps, and cables and steel pillars which are driven



almost 20 foot into the channel bottom.

When required to repel the heavy seas that pound the Bonello Bacucco Lagoon—selected for its similarity to severe sea and wind conditions affecting Venice—the dam is inflated with water at over 830 gallons per second.

It then rises above sea level sufficiently to bar the heavy seas and strong currents, maintaining a constant water level in the lagoon. Under these conditions, the lagoon's water level is maintained at up to 24 feet 4 inches lower than that of the Adriatic.

Pirelli, Thavies Inn House, 8/A, Holborn Circus, London EC1N 2QA. 01-553-5102.

Water watch simplified

THIS ORIGINAL WJ effluent sampler on which the Warren Jones Engineering company was founded three years ago has now been extended into a range of units in open units and accessories. The result is a permutation of equipment to solve many of the problems associated with taking correct samples of effluent in drains, sewers and rivers and even in small-bore drains.

The new model WJ40 can be supplied with a variable resistor with a tapered needle to vary the restriction of the air vent orifice over a range of 80 to 1. The needle position is set by the user according to the required sampling rate at any given depth of immersion. There are now three interchangeable intakes that permit the unit to

take accurate samples of suspended solids irrespective of external conditions, operating in quiescent or highly turbulent flows.

Another innovation is a choice of three attachments for using the sampler in different conditions. A stainless steel ballast plate overcomes the buoyancy of the units in open channels where it can be positioned on the bottom. An immersing rod is ballasted so that the sampler can be lowered into a manhole, and there are drain baffles that permit their use in drains where the depth of the liquid is insufficient to immerse the sampler.

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Western Deep Levels Limited

(Incorporated in the Republic of South Africa)

Circular to Members

Proposals concerning Elandsrand Gold Mining Company Limited

On 4th September 1974 this company published a joint announcement with Western Ultra Deep Levels Limited concerning the formation of Elandsrand Gold Mining Company Limited. The announcement stated that an application for a mining lease had been submitted to the Mines Department by Western Ultra Deep Levels, and that agreement had been reached in principle between this company and Western Ultra Deep Levels in regard to the cession by this company of approximately 513 hectares of the south-western portion of its lease area, for inclusion in the mining lease area of Elandsrand.

A further joint announcement by the two companies, published on 20th June 1975, reported that the Honourable the Minister of Mines had agreed to grant the lease applied for, covering a total area of approximately 2,618 hectares.

Following the receipt of letters from the Secretary for Mines notifying the two companies of the approval of the lease application, a formal agreement was entered into between Western Deep Levels Limited, Western Ultra Deep Levels Limited, Witwatersrand Deep Limited and Elandsrand Gold Mining Company Limited, recording the rights and obligations of the various parties.

In terms of this agreement, Western Deep Levels will cede to Western Ultra Deep Levels, for simultaneous cession to Elandsrand, a portion of its mining lease area measuring 514,602.3 hectares. At the same time, Western Ultra Deep Levels will cede to Elandsrand the mining lease applied for by Western Ultra Deep Levels over an area of 2,103,894 hectares, comprising portions of the farms Buffelsdorp No. 143 I.O., Elandsfontein No. 116 I.O., Elandsfontein No. 135 I.O., and Elandsfontein No. 144 I.O. in the district of Potchefstroom; Transvaal. The combined lease area to be registered in Elandsrand's name will thus cover a total of 2,618,507 hectares.

Witwatersrand Deep Limited has a 22.5 per cent interest in 1,104,870 hectares of the 2,103,894 hectares contributed by Western Ultra Deep Levels.

The consideration paid by Elandsrand for the mining lease amounted to R2 365 000, which was allocated to the parties according to drilling and prospecting expenditure incurred by them and their costs in acquiring the right to mine the area, as follows:—

Company	Area Contributed (hectares)	Proportion of shares to be offered (per cent)
Western Deep Levels	514,602.3	10.655
Western Ultra Deep Levels	1,853,345	70.855
Witwatersrand Deep	230,000	8.492
Total	2,618,507	100.000

In terms of the agreement, the parties have applied the amounts received by them respectively in subscribing in cash at a price of R1 per share for a total of 2,618,507 shares of 20 cents each in the capital of Elandsrand. Elandsrand has undertaken to grant to Western Deep Levels in perpetuity the exclusive right to mine the Carbon Leader reef in the area ceded by Western Deep Levels on a tribute basis, at a nominal royalty payable by Western Deep Levels to Elandsrand of R1 per centare mined on reef by Western Deep Levels in the area.

The agreement between the parties further provides that Elandsrand will in due course make an offer of shares in order to raise its initial capital requirements, and that such shares shall be offered to the promoting companies for at the discretion of Elandsrand their nominees or shareholders in proportion to the areas contributed by them, viz:—

Company	Area Contributed (hectares)	Proportion of shares to be offered (per cent)
Western Deep Levels	514,602.3	10.655
Western Ultra Deep Levels	1,853,345	70.855
Witwatersrand Deep	230,000	8.492
Total	2,618,507	100.000

Elandsrand Gold Mining Company Limited will be making an announcement in this regard within the next few months giving full details of its proposals.

In deciding to cede portion of the Western Deep Levels' mining lease area for inclusion in the area to be mined by Elandsrand, your directors took into account the fact that the existing critical resources of the Western Deep Levels mine, such as hoisting capacity, ventilation and refrigeration, have been planned to give priority to the total extraction of the Carbon Leader reef in its original lease area. In order to exploit fully the Ventersdorp Contact reef in the south-western portion of the company's lease area at the present time, it would thus be necessary to sink a new shaft system to this horizon and, as the existing milling and treatment capacity of the mine is fully utilised, to construct a new plant of at least 100,000 tons capacity. The total capital cost to the company would be disproportionately high in relation to the benefits to be derived from the mining of the Ventersdorp Contact reef in this area.

In all the circumstances, it is therefore considered to be to the advantage of Western Deep Levels and its shareholders to participate in the exploitation of the V.C.R. in the area indirectly through its participation in Elandsrand, because that company will be able to mine the reef at an earlier date and at a lower unit cost than Western Deep Levels could achieve.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

By order of the board
per J. E. Townsend
Divisional Secretary

8th August 1975
Registered Office:
44 Main Street
Johannesburg 2001
Postal Address:
P.O. Box 61587
Marshalltown 2107
London Office:
40 Holborn Viaduct EC1P 1AJ

ANGLO-AMERICAN SECURITIES CORPORATION LIMITED

Interim Financial Statement for the six months ended 15th July, 1975.

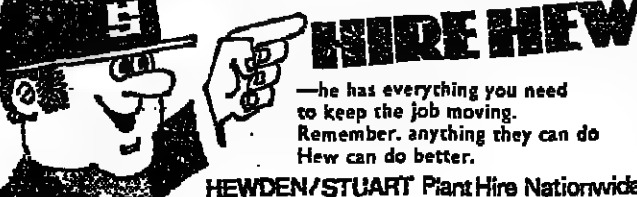
(Audited) Year ended 15th January 1975	(Unaudited) Six mths. ended 15th July, 1975	Six mths. ended 15th July, 1974	Six mths. ended 15th July, 1974
2,899,056	Gross revenue	1,476,714	1,356,013
568,030	Less: Expenses and Interest	324,962	290,244
2,331,026	Net revenue before taxation	1,151,752	1,075,769
808,733	Less: Taxation	478,108	398,476
1,422,293		713,644	677,293
81,223	Less: Preference Stock Dividend	40,611	40,611
1,341,070		673,033	636,682
1,160,153	Less: Interim Dividend	539,883	377,724
150,917	NET REVENUE RETAINED	133,150	258,958
2.15p per Share for the year	*Dividend on Ordinary Shares payable 22nd August, 1975 ...	1p per Share	0.7p per Share

*The interim dividend is as forecast and the increase is solely for the purpose of reducing the disparity between the interim and final dividends and in no way indicates an increase for the year.

**Net Asset Value per Ordinary Share at end of period 104p.c.d. 78p.c.d. Net Asset Value per Ordinary Share assuming full conversion of Convertible Loan Stock 108p.c.d. 78p.c.d.

**The Net Asset Value includes the full amount of the investment currency premium which at 15th July, 1975 was equivalent to 25p per Ordinary Share (18th July, 1974—151p per share, 15th January, 1975—18p per share).

No provision has been made for any liability to tax on capital gains which may arise in the future on realisation of investments.



A 4,500 tonne concrete dock gate being towed away to allow an oil platform structure to be floated out from the Graythorpe dry dock near Hartlepool. Two of these gates are used

THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS

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MONDAY, AUGUST 11, 1975

The limits to intervention

THERE HAVE been increasing signs in the past few weeks of the Government's industrial policy having been turned in a new and more welcome direction. The terms on which Government assistance was made available to the Alfred Herbert machine tool group a month ago and on which further aid was provided to Govan shipbuilders last week, the decision to call a halt to further Government help for the motor cycle industry, and the new more pragmatic approach now being adopted to planning agreements—these developments all seem to mark a turning point. The social and political factors that underlay the Government's willingness to support Meriden and other co-operatives last year appear to have given way to a much more level-headed and indeed cautious approach to the role that Government is capable of playing in supporting industry.

Dashed hopes

The decision to refuse further aid to Norton Villiers Triumph was perhaps the most notable departure from the Government's earlier interventionist policies. It was certainly the most difficult, not merely because it meant abandoning the commitment which both the present Government and its Conservative predecessor had appeared to make to the motor-cycle industry but because it meant dashing the hopes of the workers and trade unions affected after they had been—as it turned out—so cruelly misled.

But it was the lack of an adequate prospect of viability that led the Government to take this painful decision, and it was this same theme that characterised the Govan and Herbert decisions. It is true that Mr. Eric Varley, the Industry Secretary, partly justified his decision to go on assisting Govan on the grounds that it provided jobs in an area of exceptionally high unemployment. But he also made the point that the shipyard was now forecasting a profit and he coupled his announcement of further help with a clear warning that Government subsidies would not be forthcoming indefinitely. Any further aid, he said, would be contingent upon the Government being satisfied with the company's progress and he specifically cited the company's still disappointing productivity record.

More pressure on Mr. Vorster

THE PURPOSE of France's partial ban on arms sales to South Africa, announced by President Valéry Giscard d'Estaing in Kinshasa over the week-end, is rather clearer than the precise scope of the new policy. Since the United States and Britain cut off arms supplies to Mr. Vorster's government, France has become South Africa's primary source of weaponry of all kinds. In principle the French government has for some time claimed that there was an embargo on arms which could be used for internally repressive purposes. But since the list of French weapons which have been supplied include tanks, helicopters and supersonic aircraft, the French government has been vulnerable to the charge from countries in black Africa that it was taking a very tolerant view of apartheid. Like other Presidents before him, M. Giscard d'Estaing wishes France to be seen as a friend of the Third World, and in the wake of the crumbling of the Portuguese empire, he has evidently decided that the time has come for a gesture that should be well received in black Africa.

Whether the new policy is more than a gesture remains somewhat obscure, however, since the President has been sparing of details on how it will be implemented. Naval hardware will apparently be excluded from the ban, which means that South Africa will get the two submarines outstanding from an order of five which have yet to be delivered.

The main ambiguities concern the ban on sales of land and air weapons. South Africa has already acquired 50 Mirage III jet aircraft, but it is not clear whether the order for a further 20 more modern Mirage aircraft will be allowed to go through. Similarly, though AMX tanks will apparently come

under the new embargo, the interdiction applies primarily to arms supplied complete from France. Weaponry which has been assembled or manufactured under licence in South Africa, which includes tanks and an increasing proportion of Mirage parts, will be considered by the French government case by case.

In the absence of more detailed official interpretation, then, it looks as though the new French policy may be sufficiently elastic to soften the blow for French arms manufacturers such as Dassault, for the French balance of payments, and for the Vorster government, without sacrificing the essential purpose of signalling a change of emphasis in the attitude towards the South African régime.

Paradoxical

While the new policy may bring President Giscard d'Estaing diplomatic dividends in the rest of Africa, and while it might in time have a significant impact on South Africa's domestic military capability, it is doubtful whether it will have any short-term consequences. Ironically, its announcement has coincided with a meeting at which Mr. Vorster has stepped up pressure on Mr. Ian Smith to reach some accommodation with the Rhodesian African nationalists, and at which the two leaders claim to have reached agreement on proposals for ending the Rhodesian constitutional deadlock. Until the details are released, it will be impossible to tell whether the prospects of progress have been improved. But it is paradoxical that France should be hardening its policy towards South Africa just at the moment when that country, for all its unchanging domestic policies, is trying to work for a peaceful settlement in Rhodesia.

Exhortations to expand bring cold comfort to farmers

By JOHN CHERRINGTON, Agriculture Correspondent

LAST WEEK Agriculture's "Little Noddy" sent a memorandum to the National Economic Development Council drawing attention to the serious situation developing in U.K. agriculture because of the downturn in investment intentions and forecasts of reduced output. The EDC fears that these developments may prejudice the expansion in farm output called for in the recent White Paper, "Food from our own Resources."

The EDC is reflecting an uneasiness among farmers. The NFU, the Milk Marketing Board, the Country Landowners' Association and many others are joining the chorus about the parlous state of the industry: so much so indeed that the campaign has all the signs of being a well orchestrated and co-ordinated attempt to influence policy. This I do not believe to be true, except in the sense that all these organisations are reflecting the worries of their members over prices, taxation and the future. So vehement have their protests become that there is a danger of them being dismissed as "crying wolf."

But this again is not so. There is a real danger of production falling in some important respects unless what is loosely called "confidence" is restored to farmers. Take first the situation in the livestock industry, which represents 68 per cent. of the output from British farms.

Stop-gap measures

Some time ago I noticed that one of my neighbours was sporting a new and fairly expensive car. How, I asked, at a time when farmers' leaders were spreading the most fearful tales of gloom and doom, could he justify such a purchase? The reason, he said, was simple. He had always found that when the livestock farmers who have been the main source of recent complaints were in trouble, times were bound to be good for the arable grain grower such as himself.

There is a lot of truth in this. The basic cause of livestock farmers' discontent was the rise in the cost of grain and feeding stuffs in the autumn of 1973/4. This increase took the prices of these basic essentials of livestock farmers almost to common market levels, and was accompanied by a comparative rise in returns. The year 1974, therefore saw a succession of stop-gap measures instituted by Government to rescue from disaster, first milk, then beef, then pigs.

The price of feeding stuffs to-day is almost the same as it was last year (although there is a rising tendency), but all other costs have risen in line

with inflation. At the same time, while actual costs in total are probably approaching those of our EEC partners, prices are still kept down according to the stages of the so-called "transitional period" towards full EEC price levels. In addition, the £ sterling is still over-valued in relation to the EEC unit of account, and this reduces the prices fixed in EEC units of account in terms of sterling.

had intended to quit dairy farming anyway when they had the opportunity.

British dairy farmers and processors had the impression, fostered by pro-Common Market statements, that once full membership was accomplished they would have a chance to increase the manufacture of butter and cheese thanks to the disappearance of most foreign imports. This belief was

has meant a shortage of grass, hay, silage and even straw from the grain crops. In some areas dairy farmers have little more than two or three months feed to carry them through a winter which lasts up to six months.

This is a situation for which Government policy over past years, coupled with farmers' disregard of elementary farming practice, is largely responsible. It was a commonplace in my

the fact that the only branch of livestock farming showing reasonable profits at the moment is pigs. From a high of 7.3m. two years ago, numbers this summer have fallen to 6.6m. and market prices are still well-sustained.

of sterling. In these circumstances farmers are demanding that the final steps of the transitional period should be dispensed with so that they could be on terms of equality with the rest of the Community's farmers. They also demand a final deviation of the what is called the "Green

heightened by the Government's White Paper "Food from our own Resources," which called for a 20 per cent. increase in milk production. The fact that this was directly contrary to the Common Market Commission's expressed desire to limit milk production to market needs, has never been satisfactorily explained.

However, in spite of the White Paper it does appear that the Government will be quite content as long as the liquid market is supplied from British farms. There is no sign of a shortfall for this outlet. There is a surplus of all dairy products in the Community, and it does look as though the Government realises, even if farmers don't, that a Common Market means what it says.

The stridency of the dairyman's complaints is masking a situation in other parts of the cattle industry which verges on the disastrous. The drought this summer which has badly affected the South-West and many other parts of the country,

youth that no farmer kept more livestock than he could safely admit it.

This concerned mainly hay and other fodder for cattle and sheep. In more recent days this could be disregarded by the venturesome minority who purchased lots of fodder to supplement their own.

But over the last two winters fodder stocks which used to provide a reserve for drought seasons have become completely exhausted as farmers frantically sought supplies to keep their cattle alive. Fodder prices now are sky high and I gather that many farmers simply would not know how to pay for it even if they could find it. This affects particularly those rearing young cattle for further feeding, because the cost of this makes it impossible to pay a high price for the young animals initially.

It could be said that farmers were foolish to take any notice at all of propaganda encouraging them to increase food production. This is underlined by

neither the Government nor the NFU have yet realised what a Common Market really means in terms of the agricultural sector. Until this issue is firmly faced in conjunction with our fellow members and with the Commission, all talk of expansion should be put into cold storage.

Higher beef prices

The situation with of course right itself in time. Already this June the number of cattle in England and Wales is down by half a million, and if farmers are sensible this decline should continue. The minister has announced much higher beef prices for next spring in the hopes that farmers will hold cattle over the winter. But this will be of little help to those whose income depends on selling young cattle for further feeding, because the cost of this makes it impossible to pay a high price for the young animals initially.

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with inflation. At the same time, while actual costs in total are probably approaching those of our EEC partners, prices are still kept down according to the stages of the so-called "transitional period" towards full EEC price levels. In addition, the £ sterling is still over-valued in relation to the EEC unit of account, and this reduces the prices fixed in EEC units of account in terms of sterling.

had intended to quit dairy farming anyway when they had the opportunity.

British dairy farmers and processors had the impression, fostered by pro-Common Market statements, that once full membership was accomplished they would have a chance to increase the manufacture of butter and cheese thanks to the disappearance of most foreign imports. This belief was

has meant a shortage of grass, hay, silage and even straw from the grain crops. In some areas dairy farmers have little more than two or three months feed to carry them through a winter which lasts up to six months.

This is a situation for which Government policy over past years, coupled with farmers' disregard of elementary farming practice, is largely responsible. It was a commonplace in my

the fact that the only branch of livestock farming showing reasonable profits at the moment is pigs. From a high of 7.3m. two years ago, numbers this summer have fallen to 6.6m. and market prices are still well-sustained.

of sterling. In these circumstances farmers are demanding that the final steps of the transitional period should be dispensed with so that they could be on terms of equality with the rest of the Community's farmers. They also demand a final deviation of the what is called the "Green

heightened by the Government's White Paper "Food from our own Resources," which called for a 20 per cent. increase in milk production. The fact that this was directly contrary to the Common Market Commission's expressed desire to limit milk production to market needs, has never been satisfactorily explained.

However, in spite of the White Paper it does appear that the Government will be quite content as long as the liquid market is supplied from British farms. There is no sign of a shortfall for this outlet. There is a surplus of all dairy products in the Community, and it does look as though the Government realises, even if farmers don't, that a Common Market means what it says.

The stridency of the dairyman's complaints is masking a situation in other parts of the cattle industry which verges on the disastrous. The drought this summer which has badly affected the South-West and many other parts of the country,

youth that no farmer kept more livestock than he could safely admit it.

This concerned mainly hay and other fodder for cattle and sheep. In more recent days this could be disregarded by the venturesome minority who purchased lots of fodder to supplement their own.

But over the last two winters fodder stocks which used to provide a reserve for drought seasons have become completely exhausted as farmers frantically sought supplies to keep their cattle alive. Fodder prices now are sky high and I gather that many farmers simply would not know how to pay for it even if they could find it. This affects particularly those rearing young cattle for further feeding, because the cost of this makes it impossible to pay a high price for the young animals initially.

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Higher beef prices

The Post Office is trying to automate the mail. But there are limits, human and technical, to what it can do. David Fishlock reports

Sorting the letters with POP and ALF

THE POST Office claims to have been paying a heavy price for Britain's rising standards of affluence. Each year, it says, it has had to recruit an additional 500 postmen just to compensate for the longer walk entailed when householder exchange terraced houses for semi-detached dwellings, housing estates, high-rise flats, etc.

The customer pays no more, no matter how long the postman's walk becomes to "effect a good delivery," as the Post Office is required to do by law, to every one of Britain's 20m. addresses. But when the real cost of employing each additional postman exceeds £3,000 a year, it adds up to a growing toll which no service, public or private, can carry indefinitely.

No perambulating automation will displace the 85,000 postmen from either of the roles in which they are most familiar to the British public, namely collecting mail from 100,000 post boxes throughout the land, and delivering it to the doorstep. Even in the "wired city" of Milton Keynes, with its 16 wideband TV channels buried beneath its streets, the postmen will still walk the streets.

Envelope

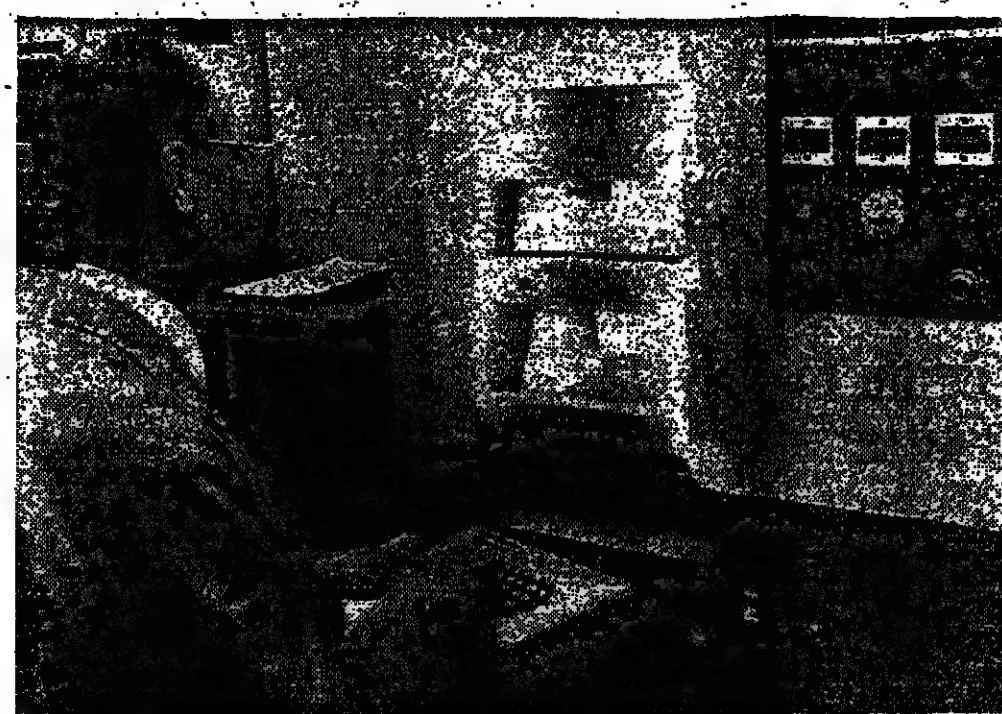
So far, therefore, P.O. ideas for automating the mail have concentrated on the unseen middle sector of the three roughly equal sectors of mail-handling: collection, sorting and delivery. Each letter posted in the present manner is handled by at least a dozen pairs of hands before the addressee's door. Complete automation in sorting may reduce "man-handling" to just six pairs of hands.

Even here, however, the P.O. has run into a discouraging variety of problems, of a kind that anyone contemplating large-scale investment in labour-saving would do well to consider. For the past three years the plans have been frozen at a stage where investment, although substantial (£35m.), was too widely dispersed to have any significant impact upon mail sorting costs.

There are three things which the man who plans automation must get right. First, he must get the technology right—a far-bidding enough challenge in the case of a product as diverse in size, shape, weight and legibility as the mail. Second, he has got to get the man-machine interfaces right, curbing his enthusiasm for automating everything in sight and deciding where he can best continue to use man's special skills. Third, he has got to enlist the goodwill and co-operation of employees during the transition from labour-intensive to automated operations.

A dozen sorting offices around the country, starting with Norwich in 1966 and Croydon a couple of years later, have already been automated to a considerable extent. Here, mailbags are emptied on to conveyors interconnecting a series of computer-controlled machines, mostly designed and developed by P.O. research engineers.

These machines separate the 10 per cent. of "unmachinable" mail (such as bulky envelopes and little packets of wedding cake), stack letters the same way up, separate first from second class mail, "redress" (without "defacing the mail") the address into an almost invisible printed code, and use this code to channel letters



Coding the post at Croydon sorting office: an interim step towards full automation.

into pigeon-holes appropriate to the destination. Sophisticated as some of the machines are—ALF, the automatic letter factor, can stack letters the same way up, cancel the stamp, and sort first from second class at the rate of 20,000 an hour—it is still not complete automation. Sorters are needed to handle the 10 per cent. of unmachinable mail and at strategic points in the mechanised sequence. Moreover, just as production engineers found when they set out to automate factories in the 1960s, sophisticated machines require constant and skilled supervision and maintenance if their productivity is to be high.

As for accusations that the P.O. wants to put severe restrictions on our freedom to mail all sizes and shapes of package, in fact "POP"—the P.O.'s preferred range of envelope sizes—gives considerable freedom compared to the restrictions placed on tolerances to automate manufacturing lines successfully. Elsewhere, Germany, Belgium and Japan have already accepted the principle of POP.

Sorting

Turning then to the second factor, has the P.O. got its man-machine interfaces in the right place? A critical one is the letter coding stage in the

present sorting system. No machine has yet been invented that can read addresses in all the glorious diversity in which they are presented to the postman, and the machine's deficiency is regarded for the present by using the human brain.

The coding operator sits at a desk where a machine automatically presents each envelope right way up. (This is where POP comes in, for the desk is designed to present only envelopes between certain sizes.) By reading off the postal code and typing it on a keyboard, he reproduces it as a row of almost invisible phosphorescent dots on the envelope, above and below the address. These dots then guide

the letter through subsequent sorting machines to the pigeon-hole appropriate to its destination.

No one denies that the operator's task is tedious and unpleasant—the more so because it is carried out close to noisy sorting machines. But this is an interim step, awaiting demonstration of a machine that can read at least typescript with the accuracy of a human that, far from being a golden sorter, say no more than three errors per thousand addresses. mail sorting was a simple quest. Every country trying to automate survival for some at least mate mail sorting, says the P.O., of the postal services. During the last adopted the same interim three-year hiatus no new automatic sorting machinery was installed, while the pace of coding for two-hour stints, research and development with breaks during which they slackened.

The ten-year P.O. automation programme, now expected to start moving again in September, on which the P.O. is hoping to spend another £60m. at today's prices, is designed to save only 6,000 jobs (allowing for an increase in maintenance staff). Although superficially costly, the P.O. is hoping to make up the difference by making much better use of the postman's time.

On trial

Several Post Offices, including those of the U.S., Canada, Japan, and France, have optical character recognition (OCR) equipment on trial that could fully automate this step and eliminate the sixth pair of hands men from the sorting process. But the machines still seem to make a lot of mistakes.

A possibility the P.O. appears to have ignored, however, perhaps because of a weakness in its market research on mail, is that a lot of mail might be encoded at source, in the post rooms of companies, or even by computers in the case of automatically addressed mail. Only one-third of U.K. mail is private-to-private correspondence.

The third factor is the good-will and co-operation of the employees. The danger for a public corporation is that in making its case to the Govern-

ment for the capital investment it will over-stress the financial advantages envisaged and leave itself vulnerable to pressures to "share the profits" in advance. This happened to British Rail and its ambitious plans to advance railway technology with the Advanced Passenger Train.

It has taken the P.O. three years that can read at least typescript years to convince postal workers with the accuracy of a human that, far from being a golden sorter, say no more than three errors per thousand addresses. mail sorting was a simple quest. Every country trying to automate survival for some at least mate mail sorting, says the P.O., of the postal services. During the last adopted the same interim three-year hiatus no new automatic sorting machinery was installed, while the pace of coding for two-hour stints, research and development with breaks during which they slackened.

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What is more, appreciable reductions in mail-sorting costs will occur only when automated sorting offices are interacting. This will not happen before 1977, when the south Yorkshire complex of five big offices at Leeds, Doncaster, Sheffield and Huddersfield, with regular heavy traffic between them, are all converted, with a total savings in sorting staff of about 300. But not until the mid-1980s will the whole of a machineable mail be sorted automatically.

Has the P.O. in striving to automate only one-third of its operation, set its sights too low over the years it has made many attempts to develop such systems, principally for delivering telegrams, without demonstrating financial benefits. As one P.O. director puts it, "The City of London is littered with our tubes." It scarcely qualifies as automation, but present P.O. thinking is that if it could persuade the Government to let it install—at the P.O.'s expense—mail boxes at the end of any path longer than about five yards, it could economise by making much better use of the postman's time.

As for the collection of post, it is inevitable that the P.O.'s highest mistake may have been back in the 1920s, when it installed 6.5 miles of automatic underground railway linking east and west London. This shifts mail in transit between the north and the west, using miniature electric trains that date back at least to 1930. Every year or so P.O. officials pull out their plans for extending this railway, for instance with loop-lines linking King's Cross and Euston. But despite interest in the railway evinced by every other post office in the world, its chance may have disappeared for ever. At the last count the capital cost had reached £1m. a mile. It should have built more while it could.

Telegrams

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Letters to the Editor

An area for savings

From Mr. N. Ashton Hill.
Sir—May I respectfully suggest an immediate saving in public expenditure? If the report of an independent inquiry into the course of his declared duties is to be rejected by a majority vote in the House of Commons there seems no purpose whatever in his remaining in office.
N. Ashton Hill.
Ashton Hill and Company,
Pearl Assurance House,
Friar Lane, Nottingham.

County Council budgets

From The County Treasurer, County of Cleveland.
Sir—The County Council of Cleveland adopted the Government's recommendations for growth when it fixed its expenditure for the current year. It is investigating the implications of a 14 per cent. growth rate for 1976/7 and has already cut out almost 1/3 of its investment proposals for 1975/6 as the first step to achieving that target. It is therefore by any standard a responsible authority well aware of national requirements. The County will not be able to limit expenditure in real terms in 1976/7 to the same levels as in 1975/6.

Together with many local authorities this Council and its predecessors have with the approval and positive support of several Governments carried out for several years up to 1974/5 a high level of capital investment in basic facilities such as schools, fire stations, and homes for the elderly. This expenditure has very properly been financed by borrowing also approved in total and in detail by past governments.

Not nearly enough attention is being paid to the effect of these past investments on local spending for the next three years. It takes at least three years from the decision to build a school before the total costs of capital charges, servicing, equipping and staffing of that school need to be provided from the rates.

Two things follow. At any moment an increase in current expenditure next year is predetermined and pre-committed by decisions taken up to two years ago. Conversely cuts in capital expenditure in 1975/6 have a marginal effect only on requirements in 1976/7. Cuts in capital expenditure in 1976/7 will have a negligible effect on the amount required from rate-payers in that year.

In May 1975 Cleveland was committed to a rate of growth in 1976/7 of 2.1 per cent. arising from decisions taken in 1974/5 and earlier. In common with many other authorities Cleveland also faces increases in demands for its services over which it has little control. The number of children entering secondary education will increase. The number of children committed to the local authority's care by the courts is also likely to increase.

rate violently over a period of 18 months must lead to a completely unprecedented withdrawal of local services. This withdrawal will equally inevitably lead to massive outcry from clients, pressure groups, unions and socially active supporters of the services in question.
Bruce Stevenson,
Municipal Buildings,
Middlebrough,
Cleveland.

Twenty pages or this table

From Professor S. Eilon.
Sir—The Board of Inland Revenue has just published its PAYE tax table (the 1975 issue). I hate to think how much this publication must have cost particularly as it includes no less than 20 pages of Table B (for tax due on taxable pay), which is utterly superfluous. These 20 pages (with five to six columns per page) are nothing more than computations of 35 per cent. of total taxable pay, and one can only surmise that the Board regards employers' pay offices as too morose to be able to compute 35 per cent. of a given sum. For those who are too lazy to use even the cheapest desk calculator and who have forgotten how to do it by hand, the following table is provided to replace the 20 pages of Table B. And a plea to the Inland Revenue: if you must publish such a table, why not adopt the following format to save a great deal of unnecessary expenditure?

	0	1	2	3	4	5	6	7	8	9
14	2.00	2.03	2.06	2.09	2.12	2.15	2.18	2.21	2.24	2.27
24	2.50	2.53	2.56	2.59	2.62	2.65	2.68	2.71	2.74	2.77
34	3.00	3.03	3.06	3.09	3.12	3.15	3.18	3.21	3.24	3.27
44	3.50	3.53	3.56	3.59	3.62	3.65	3.68	3.71	3.74	3.77
54	4.00	4.03	4.06	4.09	4.12	4.15	4.18	4.21	4.24	4.27
64	4.50	4.53	4.56	4.59	4.62	4.65	4.68	4.71	4.74	4.77
74	5.00	5.03	5.06	5.09	5.12	5.15	5.18	5.21	5.24	5.27
84	5.50	5.53	5.56	5.59	5.62	5.65	5.68	5.71	5.74	5.77
94	6.00	6.03	6.06	6.09	6.12	6.15	6.18	6.21	6.24	6.27
100	6.50	6.53	6.56	6.59	6.62	6.65	6.68	6.71	6.74	6.77
1000	25.00									
1000	250.00									

Table shows tax due on taxable pay. Example: For £13 tax due is £4.55; for £1,550 tax due is £50 (for 1000) + 2.10 (for 50) = £52.10

Samuel Eilon,
Department of Management Science,
Imperial College of Science and Technology,
Exhibition Road, S.W.7.

Unstoppable VADD

From Mr. M. Freepard.
Sir—It is reassuring to learn from Mr. R. S. Campbell of the Automobile Association (August 7) that since I have never signed a VADD (variable amount direct debit) form in favour of the association VADD just could not operate in my case. I owe the association an apology for suggesting that it activated a direct debit without authority, but the payment made by my bank of which I was unaware was not due to my failure to cancel my standing order in time, as is suggested by Mr. Campbell, but by my bank's own admitted failure to give effect to my instructions.

Notwithstanding that the AA is fully exonerated, it remains true (and my bank has confirmed this) that there is no accommodation within the same mechanism in force whereby unauthorised direct debits can be stopped in their tracks, the only remedy being subsequent rectification. I regard that as an unlevel of local spending is obviously of great concern to the management of the national own bank account.

Practical banking

From Mr. D. J. Hill.
Sir—Perhaps Mr. Tether (July 29) and Mr. Aubrey Wilson (August 6), so certain they know how banks ought to be run, in what they see as the public interest, should get together with others of their persuasion and risk their money (rather than that of the taxpayers) by marketing those banking services with which they profess to be so disatisfied. Before venturing out into the rough world of modern commerce, however, they would be well advised to shed many of their trendy attitudes and to obtain some factual information on the real purposes and problems of practical banking.
D. J. Hill,
91 Beresford Road,
Chesham, Surrey.

Shuttle service

From The Honorary Secretary, National Council on Inland Transport.
Sir—Ten years ago Lord Beeching, when he became chairman of the British Transport Commission, remarked that it did not make sense for trains and buses to be in competition with each other when both were running at the expense of the tax and rate payer.
Two years ago electric trains

were inaugurated between London and Glasgow. We are given to understand (though separate figures have not been published) that the new trains are doing well and paying a reasonable return on their capital cost. British Airways used to lose £1m a year on this route. The much advertised shuttle service still loses £3m. As most of the users will be business men whose expense accounts could well afford an appropriate increase in fare (to make the service pay), I suggest that this solution would be more economically sound than the intended drive to get British Rail's passengers into the air.
Roger Calvert,
Woodside House,
High Road, N.22.

CBI appointees to the TUC

From Mr. D. Bagshaw.
Sir—In most successful firms there must be genuine co-operation, understanding and mutual respect between management and the main body of workers. Each person in the firm must also be in the job to which he is best suited. If a man in a junior position has the ability and the will, he will get on the Board, either of his present firm, or, failing this, become chairman of his own firm, without any Government legislation to help (or more likely to hinder). If, however, the TUC considers that half the seats on Boards should be taken up by N.A. Blitch, trade union nominees, it may also consider it logical that half

the delegates to the annual Trade Union Conference should be appointed by the CBI.
D. S. Bagshaw,
Alton Towers, Alton, Staffs.

Piling on the agony

From Mr. N. Büchke.
Sir—Your account of the contents of the "Strategy alternatives for the British motor-cycle industry" (August 1) is interesting in that it throws up a number of fallacies hitherto accepted as sound economic dogma.

The most striking example is the oft repeated shibboleth that a guaranteed (and thus protected) home market is a prime requirement for any industry which is to compete in overseas markets. That a 40 per cent. U.K. share of a particular market should, since 1969, have been reduced to a mere 9 per cent. is revealing enough: that a non-American source of supply should be currently selling in the U.S. some 2m. units against a paltry 20,000 units by the U.K. is proof enough that the market is still there, but that it is now being satisfied by the Japanese rather than the U.K. The existence of an American motor-cycle industry has in no way undermined the foreigners' ability to sell considerable numbers of motor-cycles in that country.

The report highlights several other economic non sequiturs, such as the hoary old argument of low wages. It seems that the Japanese worker is, in real terms, considerably more rewarded for his efforts than his U.K. counterpart. High (real) wages, high investment and overall profitability have added up to a viable industry producing a high-quality product at considerably lower prices to the consumer than can be offered by the U.K. manufacturer. Considering the wealth of experience available to our own manufacturers—covering the best part of 70 years—recourse to the usual charge of dumping, unfair trade practices, price cutting, etc., will avail our industry no lasting comfort at all so far as the future of the motor-cycle (or any other) industry is concerned. It may offer some comfort to take refuge in blaming the foreigner (or any other handy scape-goat), as is currently the rage regarding the U.K. motor-car industry, to continue doing so is to continue piling on the agony.

The laws of economics have little to say regarding who should own the means of production, distribution and exchange of wealth, but much to say regarding the most efficient ways of achieving them. Attempts throughout history, from the decline of Rome right down to the present day have seen the decline of one civilisation and culture after another, resulting from the naive (and dangerous) belief that the laws of economics (and nature) can be twisted or defied to produce any result rulers and ruled care to produce. Failure to recognise this simple and well-documented truth is to court disaster, disappointment and misery. There is little evidence that this is being learnt, so that, regrettably, one must conclude that the years ahead must continue to look cloudy and bleak.

John Stuart Mill is reputed to have said that the British Empire was a form of outdoor relief for the sons of the upper classes; paraphrasing, it looks as though British industry is now being treated as a form of indoor relief for the members of the trade union classes.
N. A. Blitch,
6 Rusholme Road,
Pulney, S.W.15.

To-day's Events

GENERAL
British Leyland now operating under Government control.
Shop stewards at Norton Villiers Triumph factory, Wolverhampton, address mass meeting following talks with liquidator on Friday.
Sir Murray Fox, Lord Mayor of London, continues his tour of Australia and New Zealand with visit to Hobart.
Tapestry, 272 feet long, depicting 1890-45 war from Dunkirk to Normandy, on show at Guildhall, E.C.1.
OFFICIAL STATISTICS
Wholesale price index (July). Retail trade (June—final).

Index of industrial production (June).
Hire purchase and other instalment credit business (June).
COMPANY RESULTS
Cavendish Holdings (full year). Commercial Union Assurance (half-year).
COMPANY MEETINGS
See week's Financial Diary on page 4.
OPERA
English National Opera production of Carmen, conductor Noel

Davies, Coliseum Theatre, London, 7.30 p.m.
BALLET
London Festival Ballet in Prince Igor and Giselle, Royal Festival Hall, London, 7.30 p.m.
MUSIC
Academy of St. Martin-in-the-Fields, conductor Neville Martin, with Jaime Laredo (violin) and Lynn Harrell (cello), in music by Bach and

Schoenberg, Queen Elizabeth Hall, London, 7.45 p.m.
MIME
Marcel Marceau, assisted by Pierre Verry, Sadler's Wells Theatre, London, 7.30 p.m.
SPORT
Golf: Benson and Hedges pre-qualifying tournament, Fulford, Irish amateur championship, Cork.
Sailing: World youth championships, Laraz.
Tennis: British under-21 championships, Manchester.
Bowls: English men's championships, Northants. Women's championships, Leamington.

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INTERNATIONAL COMPANY NEWS EURO MARKETS

EUROBONDS

New Zealand issue a record

BY MARY CAMPBELL

IN WHAT is thought to be a new record for the Eurobond market the size of the New Zealand issue was doubled to \$100m. last week. The amount of the seven year tranche was raised from \$20m. to \$40m. and the amount of the five year tranche from \$30m. to \$60m. The indicated coupons of 9 1/2 and 9 respectively were confirmed and the issue price set at 99 1/2.

The contrast between the withdrawal of the European Investment Bank's \$100m. issue from the New York bond market and the doubling of the New Zealand issue over here was stark. Indeed, some market sources—perhaps—were heard to comment

that an element of bravado was not entirely missing from the decision to raise the amount of the New Zealand issue to exactly the same figure as the abortive EIB issue.

That the issue was popular with a wide range of investors is in no doubt and market sources had anticipated an increase in the issue. Whether the doubling of the amount proves over-enthusiasm is only likely to emerge finally with time. Secondary market prices of both the notes and bonds were down a point or so on the issue price of 99 1/2 in Friday's trading.

New issues announced last week include \$15m. for Transamerica Corp. of Canada, indicated coupon 9 1/2 per cent and lead manager Merrill Lynch, and two Swiss issues, one of Sw.Fr.50m. for Thyssen and another of Sw.Fr.50m. for an Austrian power company.

The Association of International Bond Dealers has published the first edition of its monthly list of price quotations and yields. It is being prepared by Inter-Bond services in London. This will be the first ever official and comprehensive list ever to be published on a regular basis.

Creusot-Loire in Brazilian steel deal

By Robert Matthews

PARIS, August 10.

CREUSOT-LOIRE, the large French steel-making company, has reached an agreement with Industria Metalurgica S.A. under which it will take a 15 per cent stake in the Brazilian special steels company.

Subject to the agreement of the Brazilian Government, the two companies have agreed to co-operate in technical matters.

Creusot-Loire's holding will be acquired by subscribing to an increase in the Brazilian company's capital, currently at cruzeiros 97.2m. and its stake will be increased to 30 per cent at some future date.

Industria Metalurgica's current steel production is about 100,000 tonnes per year. The deal is clearly much smaller than the proposed sale of Consol, one of Brazil's largest manufacturers of electrical household goods, to Philips do Brasil, a subsidiary of the Dutch electronics group, which the Brazilian Government refused authorisation because it would have given Philips a dominant position in the domestic market.

Reduced LKAB profits

By William Duffin

STOCKHOLM, August 10.

LKAB, Sweden's state-owned mining concern, has reduced its 1975 profit expectations by more than half following the cutback in West European steel output and the collapse of the iron-ore market.

The 45 per cent increase in the price for low-phosphorus iron-ore grades negotiated last year anticipated a profit of around Kr.780m. (\$37m.) for 1975 but deputy managing director Sven Johansson said this week that the final figure could well be less than the Kr.380m. achieved last year.

The fall in earnings could be over Kr.500m. Shipments from Narvik and Lulea are currently running at a level 50 per cent below that of last year and the Kr.380m. for 1975 is expected to drop to around 25.5m. tons from a planned 39m. tons. Ore stocks at the mines are almost 7m. tons compared with 4m. tons at the beginning of the year.

AUSTRALIAN WEEKLY LIST

Company	Aug. 11	Aug. 10	Company	Aug. 11	Aug. 10
Adelaide Newsprint	11.14	11.08	Kiwi Ins.	10.32	10.32
Adelaide Transport	10.85	10.85	M.A.C.	11.70	11.70
Adelaide Securities	10.85	10.85	Mant. Bldg.	10.90	10.90
Adelaide Paper Mills	11.01	11.01	Mant. Bldg. (P)	11.35	11.35
Adelaide Paper Mills (P)	11.01	11.01	Mant. Bldg. (P)	11.35	11.35
Adelaide Paper Mills (P)	11.01	11.01	Mant. Bldg. (P)	11.35	11.35
Adelaide Paper Mills (P)	11.01	11.01	Mant. Bldg. (P)	11.35	11.35
Adelaide Paper Mills (P)	11.01	11.01	Mant. Bldg. (P)	11.35	11.35
Adelaide Paper Mills (P)	11.01	11.01	Mant. Bldg. (P)	11.35	11.35
Adelaide Paper Mills (P)	11.01	11.01	Mant. Bldg. (P)	11.35	11.35

TEL AVIV STOCK EXCHANGE

Company	Price	Change	Company	Price	Change
Bank Leumi Le Israel	217	+1.0	Bank Leumi Le Israel	217	+1.0
Bank Leumi Le Israel	217	+1.0	Bank Leumi Le Israel	217	+1.0
Bank Leumi Le Israel	217	+1.0	Bank Leumi Le Israel	217	+1.0
Bank Leumi Le Israel	217	+1.0	Bank Leumi Le Israel	217	+1.0
Bank Leumi Le Israel	217	+1.0	Bank Leumi Le Israel	217	+1.0
Bank Leumi Le Israel	217	+1.0	Bank Leumi Le Israel	217	+1.0
Bank Leumi Le Israel	217	+1.0	Bank Leumi Le Israel	217	+1.0
Bank Leumi Le Israel	217	+1.0	Bank Leumi Le Israel	217	+1.0
Bank Leumi Le Israel	217	+1.0	Bank Leumi Le Israel	217	+1.0

HONG KONG

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

SINGAPORE STOCKS

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

CANADA

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

PARIS

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

OSLO

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

COPENHAGEN

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

JOHANNESBURG

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

AUSTRALIA

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

CANADIAN WEEKLY LIST

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

AMSTERDAM

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

MILAN

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

TOKYO

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
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Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

VIENNA

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
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Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

STOCKHOLM

Company	Aug. 8	Aug. 7	Company	Aug. 8	Aug. 7
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

Indices

NEW YORK

DOW JONES AVERAGES

FINANCIAL TIMES SURVEY

Monday August 11 1975

PAKISTAN

Pakistan teeters between the historical pull of its big neighbour India and the religious ties of its Islamic brothers to the west. After the trauma of Bangladesh the country still has major problems to overcome.

"PAKISTAN IS now the most democratic country on the Indian subcontinent" and "Pakistan is the only democracy between Europe and Thailand." These are just two of the boasts that are heard to-day in Pakistan after the Declaration of Emergency in neighbouring India and the wholesale arrests there.

On the surface at any rate the country seems secure and untroubled by any of the grave problems unsettling its neighbours. Pakistan is free of the hungry, grinding poverty of India or Bangladesh. People may miss a meal each day and cities like Karachi and Lahore have a fair share of beggars, but there is no mass starvation as there was in eastern India or in Bangladesh last year or as permanently stunts the thousands of pavement dwellers in places like Calcutta.

Control

Politically, Mr. Zulfikar Ali Bhutto, the Prime Minister, seems more firmly in control than ever before. The rebellion in the long-troubled province of Baluchistan has been more or less snuffed out by the army; and the North West Frontier Province has been quiet ever since the National Awami Party was banned in February after a spate of bomb explosions, one of which killed the Frontier Home Minister.

The economy has been through a rough period, but this year the monsoon has been favourable and the Government's economic policy is more coherent and carefully worked

out, so hopes are reasonably high that Pakistan can resume a prosperous path. Mr. Bhutto's foreign policy and his leading role in forging Islamic unity has helped to provide Muslim money for development and to restore Pakistan's pride in their country after the disastrous defeat of the 1971 war. The resumption of U.S. arms sales was also an important symbolic victory—symbolic because Pakistan cannot afford large-scale arms purchases.

Lately, some careful observers have claimed that Mr. Bhutto is relaxing his grip. The Press, they noted, had carried reports of the activities of retired Air Marshal Asghar Khan, chief of the Tehrik-i-Istislahi party, even though the reports appeared only in local editions where the air marshal was speaking. Perhaps, some observers say, Mr. Bhutto is feeling his way to democracy after all.

Mr. Rafi Raza, the Minister for Industries and a personal friend of Mr. Bhutto, rejected the idea of a free or freer Press. "It might be nice to think so, but I do not think the Press is any more or less free than it was two years ago," he told me recently. The Pakistan Press is docile, but then it is not a particularly good touchstone, as the Press has long been noted for its loyalty to the reigning Government.

But Pakistan is a long way short of democracy. For example, freedom of speech and assembly are limited by Section 144, an old British rule which prevents gatherings of more

than five people. Politicians who have defied this ruling have frequently found that the Federal Security Force has been on hand to break up the meetings, not always gently. The force has been built up since Mr. Bhutto came to power. In addition, Mr. Bhutto has imprisoned a number of political opponents.

He used large-scale imprisonment to deal with the National Awami Party (NAP) after the Peshawar bomb assassination of the Home Minister of the North-West Frontier Province.

Without producing evidence Mr. Bhutto declared that the NAP had been operating "in a manner prejudicial to the sovereignty and integrity of Pakistan." He banned the Party, seized its offices and arrested, along with several thousand other NAP leaders and students in the Frontier. Most people who know him say it would be out of character for Khan Wali to have instigated the bomb attack. The Minister, Mr. Sherpao, had been trying to find ways of making a pact with the NAP. Moreover, he had distant blood and village ties with Khan Wali Khan and

in hostile constituencies. The Prime Minister has worked hard to keep and to extend his Parliamentary majority. He has tried to win over opponents. Sardar Sherbaz Mazari, an independent member of the National Assembly from Baluchistan, who has not yet succumbed to Mr. Bhutto's blandishments, told me: "Let me just say that the Prime Minister has made it clear to me that if I were to join his party he would make it worth my while." Mr. Bhutto has also taken a tough line to see that his own party members have remained in line.

Most serious observers both

it would be a grave breach of honour to the Pathan to abuse those connections.

Other levers of power are in Mr. Bhutto's hands. He has "politicised" the civil service in a manner unknown before. Elections are still formally free and democratic, but Mr. Bhutto's People's Party has managed to win some surprising by-elections

Pakistani and foreign, would not deny that Mr. Bhutto's regime is repressive. But many will argue vigorously that it has to be: Pakistan is such a tumultuous and volatile society that it cannot be given full-fledged democracy. Others take the line, a dry run for India, that Pakistan needs a smack of firm government if it is to over-

come its economic and social problems.

There are grave objections to these views. Admittedly, Mr. Bhutto has given a political performance of virtuoso brilliance in keeping the lid on a cauldron and to retain his personal power, but he has done nothing to bring the four differing provinces of the country into a harmonious Pakistan nor really to tackle the vast development problems. In both Baluchistan and the Frontier I

met people who said: "We are under his thumb now, but we have long memories." Strangely, though, Baluchistan may be the first development beneficiary

of Mr. Bhutto's policy. For

example, the two men who have recently taken over as chief minister and governor of the Punjab are members of large landowning families. The army was this year awarded a large pay rise. Old, dogmatic socialists like J. A. Rahim, the former party secretary-general, are on the sidelines, accusing Mr. Bhutto of failing in his promises, but spent political forces, less and less being heard of promises for radical and social reform.

In the short-run, this may be good for Pakistan. The country's economic policy to-day seems much tougher and more coherent. Foggy socialist promises which had not been worked out practically are being replaced by a commitment to production, even if this means curbs on labour. With a good monsoon which will put Pakistan within reach of a third of the dream of food self-sufficiency, there is no reason why real growth should not be a per cent. or more for the next few years.

Economically, Pakistan is a promising country, but it would be even more promising if it could harness and release the energies of the whole people. The present new policy concentrates rather a lot on the old framework of industry and society. But unless Pakistan can bring the poorest peasants and industrial workers fully into a clean political democratic and prosperous path for Mr. Bhutto might have been for him to persuade his Arab and Western friends to provide more money and better

markets for his country's development. Moreover, with the emphasis on political conformity, the Government's economic management is always liable to distractions.

Politically, Mr. Bhutto can never be totally secure and his present policy may lead to the creation of grudges for many men. He retains the forms of democracy because it might be useful in the future, but true democracy has gone for the present.

Many people who are sympathetic to Mr. Bhutto are dismayed because they consider his performance unnecessary. The Prime Minister is a man of great intelligence, charm and feeling for his country. He could have won a clean political democratic and prosperous path for Mr. Bhutto might have been for him to persuade his Arab and Western friends to provide more money and better

ensuring that he does not last as long as he would.

K.R.

BASIC STATISTICS

AREA: 310,000 sq. miles

POPULATION: 72m. (est. July 1975)

GNP: Rs.99.12bn. (1974-75 provisi.)

GNP per capita: Rs.1,380

TRADE (1975-76):

Imports: Rs.21.2bn. (est.)

Exports: Rs.10.4bn. (est.)

Trade with U.K. (1974):

Imports from U.K.: £48.8m.

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CURRENCY: £1 = 20.5 rupees

Outline of democracy

This Survey was written by KEVIN RAFFERTY, Asia Correspondent, and IQBAL MIRZA, Karachi Correspondent

(cooking oil) and gave workers a token Rs. 25 a month rise in compensation there were angry demonstrations of workers in Lahore and Rawalpindi. But for the moment, to quote one diplomat in Islamabad: "Mr. Bhutto is less popular than ever, but more powerful than ever."

The Federal Security Force was used to disperse demonstrators after the price protests. In the short-term at least all this means that Mr. Bhutto is more firmly entrenched than ever before. There is now no opponent on the floor of the assembly who measures up to him; no one else in his party can match him in oratory or intelligence.

In entrenching himself in power Mr. Bhutto is changing his course and his supporters. More and more he is coming to rely on stalwarts of Pakistan's old society. For

example, the two men who have recently taken over as chief minister and governor of the Punjab are members of large landowning families. The army was this year awarded a large pay rise. Old, dogmatic socialists like J. A. Rahim, the former party secretary-general, are on the sidelines, accusing Mr. Bhutto of failing in his promises, but spent political forces, less and less being heard of promises for radical and social reform.

In the short-run, this may be good for Pakistan. The country's economic policy to-day seems much tougher and more coherent. Foggy socialist promises which had not been worked out practically are being replaced by a commitment to production, even if this means curbs on labour. With a good monsoon which will put Pakistan within reach of a third of the dream of food self-sufficiency, there is no reason why real growth should not be a per cent. or more for the next few years.

Economically, Pakistan is a promising country, but it would be even more promising if it could harness and release the energies of the whole people. The present new policy concentrates rather a lot on the old framework of industry and society. But unless Pakistan can bring the poorest peasants and industrial workers fully into a clean political democratic and prosperous path for Mr. Bhutto might have been for him to persuade his Arab and Western friends to provide more money and better

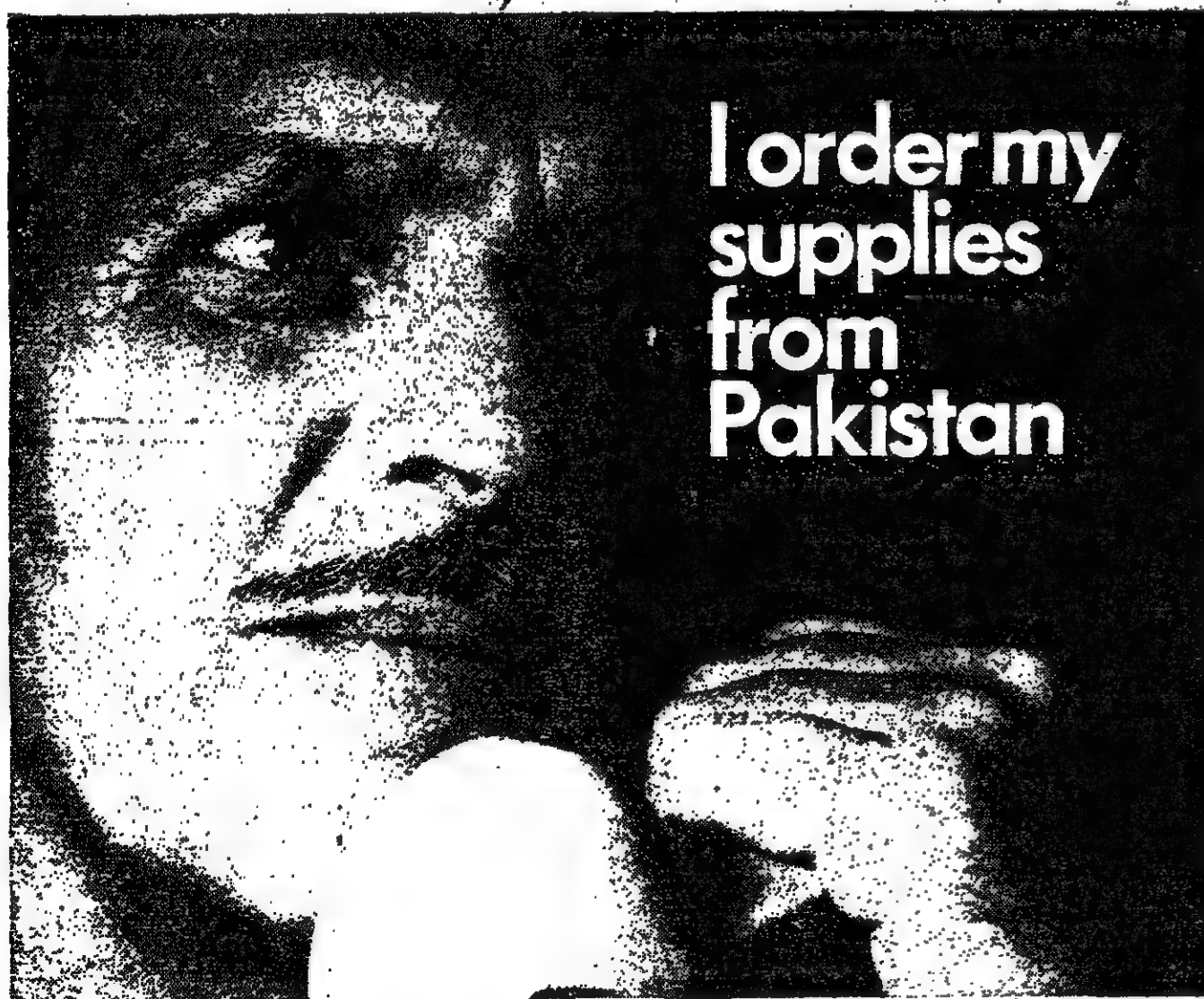
markets for his country's development. Moreover, with the emphasis on political conformity, the Government's economic management is always liable to distractions.

Politically, Mr. Bhutto can never be totally secure and his present policy may lead to the creation of grudges for many men. He retains the forms of democracy because it might be useful in the future, but true democracy has gone for the present.

Many people who are sympathetic to Mr. Bhutto are dismayed because they consider his performance unnecessary. The Prime Minister is a man of great intelligence, charm and feeling for his country. He could have won a clean political democratic and prosperous path for Mr. Bhutto might have been for him to persuade his Arab and Western friends to provide more money and better

ensuring that he does not last as long as he would.

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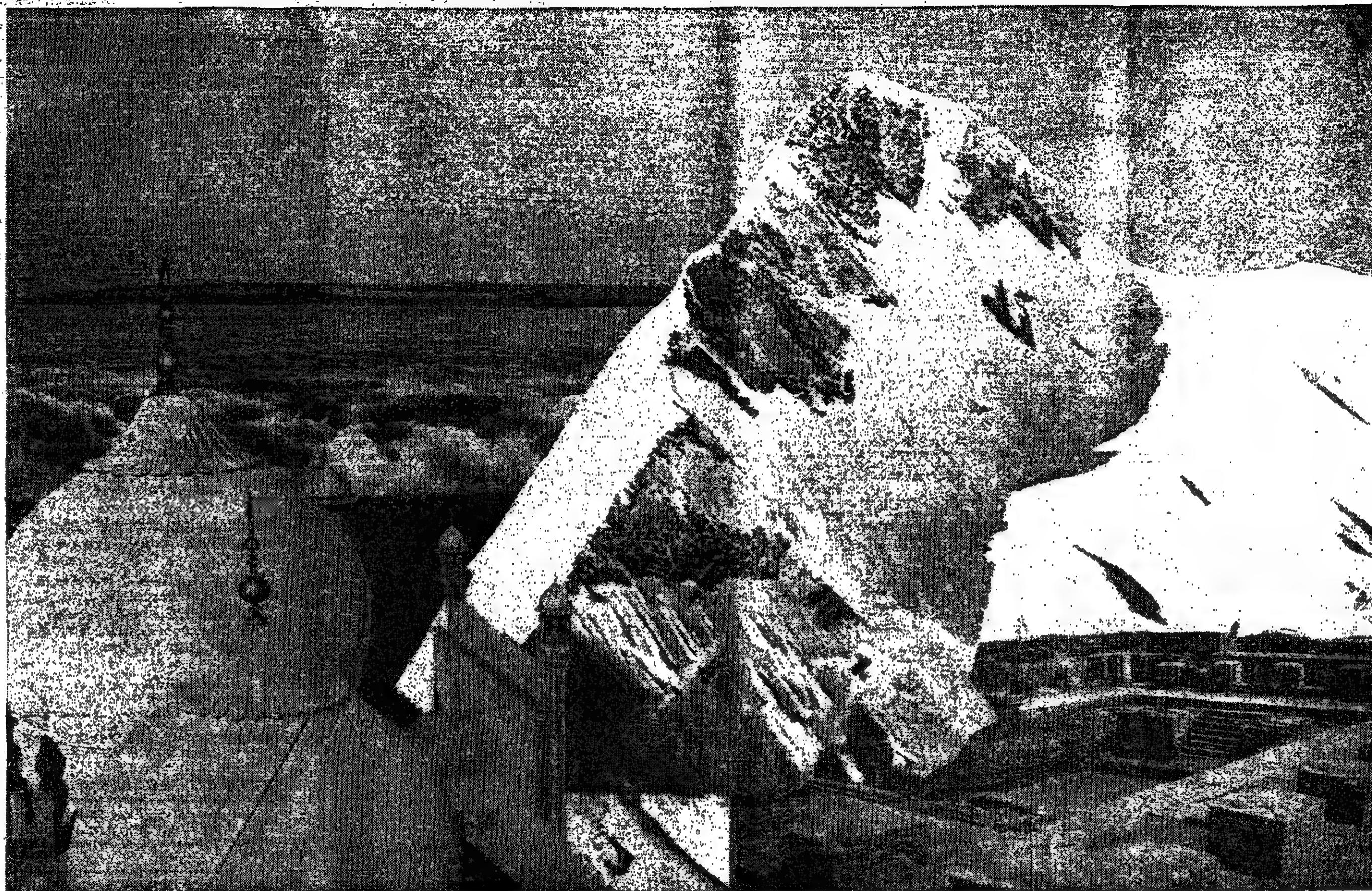
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PAKISTAN IV

Politics behind the scenes

THERE ARE two sorts of political struggle in Pakistan to-day. One is open, a public battle before the Supreme Court in Rawalpindi capturing acres of newspaper space, a good sign that Mr. Bhutto does not regard it as a serious challenge. The more important power battle is going on behind the scenes, so secretly fought that it is not clear who, apart from Mr. Bhutto, is playing or what the protagonists are up to.

The high drama of Pakistan politics since Mr. Bhutto took over has revolved round the bitter struggle for control of the mountain-rugged, tribal and strategically important provinces of the North West Frontier and Baluchistan. The courtroom show is the final act of that struggle. Mr. Bhutto is trying to justify his ban on the National Awami Party (NAP) and its leader, the Pathan chieftain, Khan Abdul Wali Khan. The NAP was for a short time the major partner in the governments of the two provinces, but has long been removed from power by the Prime Minister's political manoeuvrings.

As Leader of the Opposition in the National Assembly, Khan Wali was a bitter thorn in Mr. Bhutto's flesh. He had an especially strong line in invective, referring to the Prime Minister as "His Imperial Majesty, the Shah-Jo-Shah of Larkana" (Mr. Bhutto's family home) and calling him "the Fuehrer" — no disrespect to Adolf — for the way Mr. Bhutto was stamping on dissenters. Khan Wali also claimed that the Prime Minister had been responsible for several attempts on his life.

The Pathan remained at liberty until February. Two days after Mr. Hayat Mohammad Sherpao, People's Party Home Minister in the Frontier, was killed in a bomb explosion, Khan Wali was arrested, his party banned, and its offices sealed and records and funds confiscated. Mr. Bhutto claimed that the NAP had been operating "in a manner prejudicial to the sovereignty and integrity of Pakistan."

In the Supreme Court, the Government has been presenting its evidence, which has consisted so far largely of transcripts of broadcasts by Kabul Radio, some going back to before the foundation of the National Awami Party; claims from Kabul of a former (now exile) Secretary-General of the NAP; and some of the wilder speeches of Khan Wali himself.

Evidence

Extra drama was added when Khan Wali refused to defend himself before the Supreme Court because he said that he could not be sure of getting a fair hearing. His reason was that—against all the usual legal conventions—in democratic countries—two of the judges had had previous dealings with the papers, and one of them had even been Law Secretary, the highest official in the Law Ministry, responsible for supervising the evidence against the NAP and Khan Wali. But the latter did file a rambling 140-page affidavit in which he completely denied the charges against him and again accused Mr. Bhutto of trying to break up what is left of Pakistan, to secure "Mr. Bhutto's position as undisputed monarch."

In realistic terms the court case is probably a good indication that Mr. Bhutto considers he has won the real battle for domination in the Frontier and Baluchistan. For example, he has won over to his side 19 of the 42 provincial members in the Frontier. Mr. Bhutto may feel reasonably secure—though there may be a terrible price for Pakistan to pay if or when Mr. Bhutto's power base comes under threat.

Many experts think that the Prime Minister may lift the ban on the NAP before the Supreme Court can reach its verdict, but it is unlikely that he will set Khan Wali free as he has other charges pending against him.

On the ground, all looks calm. A year ago Baluchistan was un-

stable, with thousands of Pakistan army troops trying to keep down a serious rebellion and with active talk of further break-up of Pakistan. That has all changed. The people of Baluchistan, even according to anti-Bhutto leaders, have been beaten into submission. There have lately been isolated hit-and-run incidents against army patrols, and Quetta is a sullen town after dark. But as one Baluch sardar (tribal chief) said: "Bhutto has effectively won. He has cowed our people by his policy of merciless crackdown. But what do you expect? He refused to let women and children get to the drinking water while the fight went on. However, we shall remember."

On the Frontier, the situation also appears quiet and under control. The struggle in the Frontier at the moment concerns Mr. Bhutto's attempts to woo the Muslim Leaguers of his own Federal Home Minister, Khan Abdul Qayyum Khan, into the People's Party. According to reliable political opinion in Pakistan, a deal has been struck with the Muslim Leaguers who will defect one by one to the People's Party "so as not to make it look too obvious."

But while the obvious drama and excitement of Pakistan politics is concentrated on the rugged and isolated westward provinces that border Afghanistan, Iran, the Soviet Union and China, the more important political battle is going on behind the scenes in the larger provinces of Sind and Punjab. What exactly is happening is difficult to work out, but the Prime Minister obviously feels himself under pressure because he devoted a great deal of his time during his Budget Speech to answering Punjab allegations that he was favouring Sind, his own province. Mr. Bhutto's strange love-hate relationship with Ghulam Mustapha Khar, once his most favoured lieutenant and recent appointee as Governor of the Punjab, has again come to the fore recently.

Provinces

How many of these supporters will stay with Mr. Khar out of power is doubtful, since support in Pakistan tends to drift with the power and the spoils. However, observers have noted that Mr. Khar has been carefully operating in two significant areas. There are two golden rules for bringing about a change of regime in Pakistan. If you want to put someone in power, you need rural support—and Mr. Khar has recently been asking all the big landowners to visit him in his Government residence in Lahore. If you want to topple a ruler, you must work with the urban riff-raff and Mr. Khar has been reassessing his strength there. "He is too much a roughneck to be popular with the intellectual classes," continued the observer, "but in this power game, they don't count."

The latest gossip from the People's Party is that Mr. Khar is stirring things up as a favour for Mr. Bhutto to sort out who is loyal. It is not clear whether this indicates another rapprochement between the two men or is intended to discredit Mr. Khar as untrustworthy.

Officers

It is difficult to assess the mood of the other major unseen partner in Pakistan's power politics, the army. Those army officers to whom I spoke insisted that they did not want to get involved in politics again, but on the other hand Mr. Bhutto has again recently raised defence expenditure and defence forces' pay and most observers are agreed that the Prime Minister still has to pay respect to the army wishes in spite of having built up his own powerful security force as the front line of his personal protection.

The regular opposition political parties no longer count for much. The only man ploughing his lonely furrow seems to be Retired Air Marshal Asghar Khan, who is on continuous tour all over Pakistan, talking to all groups in one village after another and defying Section 144 (which prohibits gatherings of more than a handful of people). Those who have seen him at work speak of him with admiration: "He is a punctilious man, brought up to be careful about his dress and behaviour," said one friend. "yet recently I saw him attend a gathering of the most ordinary working peasants. I went along and was driven away by the smell of humanity. I went away and was sick. But he stayed right in the middle, talking to the people, until the end. When I asked him why and how he had brought himself to do it he said 'it is my duty.'"

Asghar Khan has been written off many times for his inflexibility. He has so far refused to cash in on his obvious strong military ties as a respected former Air Force chief. Those who have seen him working hard in the remote villages from one end of Pakistan to the other, and especially in the key Punjab, believe that he may do well if there are ever more free elections in Pakistan.

K.R.

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THE CROWNING success of Zulfikar Ali Bhutto's foreign policy has been to turn his countrymen away from the shameful memories of India and poverty and defeat, and look instead towards the Middle East and the promise of the riches of Islam and brotherhood. For all his assiduous work, however, Pakistan may next month lose its battle for the Asian seat on the United Nations Security Council—and that to its old rival, India.

Of its many aspects, the internal domestic repercussions of the Middle East policy are probably the most important. The new worldwide dream of Islam after the discovery of oil power and Mr. Bhutto's role in shaping it and ensuring Pakistan's place in the Islamic world has given Pakistan a new pride. Critics for all that can point out that the policies and the high oil prices of the Middle East nations have hit Pakistan

harder than any of the developed nations and almost as hard as any other country of the underdeveloped world. Nevertheless, "You should not underestimate how vital it was to give Pakistanis some faith and pride in themselves," one senior diplomat in Islamabad told me. "When he took over, this nation was right on the floor."

Mr. Bhutto has done his job skilfully: he has made sure that he has been seen, both in Pakistan and outside, not to be merely clinging to the coat-tails of Middle East power and wealth but to be one of their leaders. His own hosting of the Islamic summit in Lahore last year was itself one of the important bench marks in the growth of international Islamic consciousness. His manoeuvres have been not without political pay-off at home. They have enabled him effectively to spike the guns of the mullahs, hitherto a great power in Pakistan's politics and particularly critical of Mr. Bhutto for his ideas of "Islamic Socialism." How could they attack in the name of Islam a leader who was favoured by all the leading international pillars of Islam?

The policy has also had economic benefits for Pakistan. The country has been the biggest beneficiary in all the developing world of aid from the oil-producing nations. Indeed, economic officials point out that without help from Iran, Saudi Arabia and the Gulf, Pakistan would not have been able to cover its trade gap last year. The loans from the Middle East have been doubly appreciated because most of the money has been available for balance of payments support and not tied to specific projects as is the Western aid which still constitutes the bulk of Pakistan's assistance.

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The feeling, together with the new opportunities and rich rewards—in the Middle East—have produced a spate of Pakistani emigration to the Middle East. One interviewer for a trading company in Dubai told me in Lahore that he had "literally hundreds, sometimes thousands, of applicants for each job; even if we advertise for a steno or computer operator we get lots of applications, sometimes from people of managing director level. They just feel they are getting nowhere here, and their eyes pop out at the financial rewards there."

Religion

So far Pakistan has had about \$1bn. either handed over or promised from the Middle East. Iran provided a loan of \$500m., of which \$250m. was given last year and \$180m. will come in the present year. Saudi Arabia has provided \$100m. for projects, Abu Dhabi \$100m. and Kuwait a \$50m. loan to buy oil. Other countries have been less forthcoming and there are some signs now of a tightening of the purse strings which looked at one time as if they would be held out liberally to the

favoured brother in religion. Kuwait is discussing various projects, but is known to be especially hardheaded. There has been a lot of talk of Pakistan receiving up to \$350m. from Libya, but so far none of this has been forthcoming. When I asked an official about reports that Libya was on the point of providing \$50m., he said: "We would be glad to see it."

Trade with the Arab world has virtually doubled since 1965, and the Middle Eastern countries to-day take about 10.11 per cent. of Pakistan's exports. Until the oil prices rose, Pakistan had a healthy surplus with the Middle East. About half of Pakistan's Middle East trade is with one country, Iran, which also provides 20 per cent. of Pakistan's oil. The bulk of the crude—nearly 75 per cent.—comes from Saudi Arabia.

Personnel

But relations and economic assistance between Pakistan and the Middle East are not one-way. For all its poverty Pakistan has much to contribute, and is assisting the economies particularly of the Gulf States. The country is rich in skilled managerial and technical personnel, who feel themselves unemployed or under-employed in their own country.

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Pakistan also supplies military assistance and personnel to the Middle East. Countries with Pakistani forces include Jordan (though the once strong ties with Jordan have loosened since the Palestine Liberation Organisation was given representation in Islamabad), Kuwait, Libya, Oman (where the naval chief is British but most of the

officers Pakistani). Saudi Arabia, Syria and the Arab Emirates.

Assessed on a country-by-country basis, Mr. Bhutto has succeeded in building fruitful relations with every Islamic country except his neighbour Afghanistan, Iraq and Egypt. Foreign policy with Egypt has been a failure as President Sadat has preferred to remain close to India, and has even gone out of his way to assist the struggling Bangladesh. Iraq and Afghanistan are special cases. Iraq was the country involved two years ago in mysterious gun-running to Pakistan; now relations seem to be improving. Afghanistan has provided a running sore with its claims to the so-called Pakhistan territory of Pakistan, roughly the lands to the west of the Indus.

The other Middle East countries provide a variety of opportunities for Pakistanis. In Saudi Arabia, for example, where there are 45,000 Pakistani heads of families, most of them are in low-grade jobs (though a Pakistani was Governor of the Saudi Arabian Bank until his recent death). In the Gulf sheikdoms many Pakistanis are doing important technical jobs outside the military field, and in a couple of small-Gulf States the number of Pakistanis is greater than the indigenous population.

The growth of the Pakistani community in the Middle East, of course, further fosters the connections with what is known as West Asia. At least as important, it also provides a source of funds for the families back home. Traditionally—according to official figures—Pakistan has received up to \$40m. a year remitted by Pakistanis working in Britain. Some experts calculate that these funds are being matched by money sent from the Middle East. This seems unlikely, if only because the official figures probably underestimate how much money is actually being sent annually from Britain. Some economists consider that \$60m. would not be too high, and even \$80m.-\$90m. could be nearer the mark. Nevertheless, money from the Middle East helps to ease the problems of many families back in Pakistan.

All these policies, of course, have their dangers. Although more and more Pakistanis may go to the Middle East, following waves of emigration to the U.K. and Canada, this does not

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PAKISTAN V

Base for development

PAKISTANIS, THOUGH poor, are well off by the standards of the rest of South Asia—Afghanistan, India, Sri Lanka, Bangladesh and Nepal. Even so, according to Government statistics, more than one-third of the population does not get an adequate supply of calories; only 15 per cent have access to piped drinking water; and only 5 per cent to sanitation and drainage; only 15 per cent can get medical care; only one-in-five of the population is literate. Enrollment in primary schools has increased to more than 40 per cent, but only a quarter of children over 11 are officially in school, and many of these may not attend regularly.

It is difficult to assess whether worse deprivations are suffered in the town or in the village. In the towns Government measures have pushed up the minimum wages of industrial workers from about Rs.120 (£5) a month in 1971 to Rs.225 to-day, but this is some way below the Government's own figure of Rs.350 a month which is necessary to meet the minimum needs of a family of five without hardship.

Urban dwellers have to suffer all the perils of living higgler-muggler with or on top of their neighbours without proper facilities. Many of the people in the colony of industrial workers in Karachi, for example, live in little better than hovels. In one area their washing flutters daily across a great stretch of mud flat by a stinking open drain. I can only marvel that they manage to get it so spotlessly clean, and that their life manages to go on.

In the villages there seems at least air to breathe and room to exercise. But there is not much else. Only 16 per cent of Pakistan's villages are situated on metalled roads; only 9 per cent of villages are electrified; half of the farms are of five acres or less (it is difficult quite to be sure, but an economic holding is probably about eight acres or above). The limited statistics that are available in-

dicate the hardship of rural life. According to the 1971-72 household survey more than 50 per cent of rural households had a monthly income of fewer than Rs.200 and 91 per cent were well below Rs.400 a month. Expenditure on clothing, rent, furniture, medicine and education was much less in the villages than in the town households.

Bare statistics cannot describe the daily regime. For the rural labourers, for example, who form a growing proportion of the rural population—perhaps 20 to 25 per cent—life is incredibly hard. According to labourers I spoke to close to the thin veneer of "Coca-Cola civilisation" that runs alongside the Grand Trunk Road, the day begins with the sun, about 0.500 at this time of year. They take whatever jobs are available, tilling the land for about Rs.7 (30p) a day. At harvest time they are working from early morning to beyond dusk every day of the week in the rush to collect the crop. But at this time of the year only farms growing paddy or cotton are pressed for labour. On an average there are 20 days' work a month for the more fortunate labourers. At dusk the day's earnings just about provide for a hot meal including the choice chilies. Children are not usually put into school, other than for

a token enrolment, because they can contribute to family earnings by, for example, minding cattle or doing other odd jobs. At this level of poverty, every little helps. Bedtime follows closely after the sun has gone down because there is little else to do.

But Pakistan is by no means as simple a society as this analysis suggests. Karachi, Lahore, Rawalpindi and Islamabad are all alive with as many of the pleasures as will be found in the West. I asked one wealthy citizen of Karachi who was about to throw a wedding party for his daughter how many guests were coming—225. And how much would that cost—Oh lakhs (hundreds of thousands) of rupees, he replied airily. It would take a Karachi labourer earning Rs.250 a month 33 years to earn one lakh (100,000) of rupees. Homes of the rich are never short of a bottle or two of the best Scotch whisky, though this is a Muslim society.

The split level society creates its own problems. Should the Government aspire to create a modern Pakistan economy, with all the intense capital investment that requires? Or should it suit policy to the masses, to try to give them an inkling of

a semi-decent life? An example of the dilemma occurs in an unexpected place, Karachi Port. To meet the demands of modern shipping lines and to offload vital imports and exports speedily, it is essential that Karachi should quickly get proper container berths and facilities. The port authority has plans to build container berths capable of handling 40 foot containers. But this would also mean building roads and railways to handle the container traffic. As it is transport to the docks is a splendidly old and medieval world mixture of camel carts and lorries which can handle up to 10 tonnes. Much of the subsidiary transport is even carried in donkey carts. Wheat imports are piped out of the ships, then shovelled into sacks by gangs of workmen, who hump the sacks onto lorries. The coming of container vessels would thrust on to the roads loads of up to 40 tonnes a time. Such a reorganisation would play havoc with roads, homes, lives.

Pakistan Government planners have recently done work for what would have been another five-year plan had the world economic situation been better. Their efforts have not been published, but I understand that the planners bravely hoped for real growth of up to 9 per cent a year. Their calculations contain impressive figures, but hardly any reference to the two-tier economy or how to break through to the poor and provide them with a choice, let alone with the prospect of decent development.

The ramifications of a breakthrough would of course be worldwide. Poor Pakistanis, if they are to have a chance would need backing from the already rich and nouveau riche Western, East European and Arab worlds to provide them with finance and markets for their goods. Yet this topic has faded from live discussion. The Western governments are trying to cling to their prosperity oblivious of or unable to help the fact that the poorest countries are hurt most: the Middle Eastern nations want the best industrial development so they look West; poor countries like Pakistan simply have to pick the best they can from the new situation.

Yet all the time the population time bomb ticks away. Population growth is about 3.2 per cent a year; a staggering 45 per cent of the population is under 15 years old; if unchecked by the year 2000 Pakistan's population will have topped 150m. Yet Pakistan is one of the poor mass population countries with better prospects.

K.R.

Containers

The split level society creates its own problems. Should the Government aspire to create a modern Pakistan economy, with all the intense capital investment that requires? Or should it suit policy to the masses, to try to give them an inkling of

Textiles problems

WORLDWIDE recession has plunged Pakistan's textile mills—the country's main industry and important foreign exchange earner—into deep gloom. Last year most mills made losses running into millions of rupees. During the first months of this year the situation was not much better.

In fact, the situation had become so serious that the All Pakistan Textile Mills Association proposed a number of measures to overcome the fall in demand and prices. The situation was so desperate that they suggested shutting down part of the spinning capacity with a guarantee that they would continue to pay full wages and would not resort to retrenchment of workers. The Government refused on the grounds that it would reduce consumption of cotton and would create unemployment.

Exports during 1974-75 fell by 60 per cent in cotton yarn and 23 per cent in cotton cloth compared to the 1972-73 peak year. In the case of raw cotton, there was a serious fall in exports during 1973-74 but it recovered during 1974-75. Unit prices during 1974-75 were higher for all the three items. Since April there has been slight improvement in demand and prices of cotton yarn, but no one would yet call this a recovery. The Hong Kong market for cotton yarn is better than it was in early 1975, although demand continues to be low. The main buyers of cloth, namely Britain and the U.S., are not very active although there has been a slight improvement in prices in these countries. During 1974-75 Japan purchased only about one-tenth of the level of 1973-74.

The opinion of the textile etc.

Industry is that even if demand and prices pick up, it will be another two to three years before the mills are able to pay a dividend. Most textile shares are being quoted below par on the stock exchange.

Non-traditional

The Federal Government has taken a number of steps to help the industry such as reduction in excise and export duties, fixing of raw cotton prices and purchase of yarn by the Government corporation for exports to non-traditional markets. Pakistan recently concluded an agreement with the EEC providing for increased exports of cotton textiles and made-ups. Efforts are being made to increase the export to non-traditional markets and Sudan is one of the countries which has made large purchases during the past few months.

On top of the crisis resulting from the world recession and consequent losses, the textile mills, specially those set up during the last seven or eight years, have been faced with a serious dilemma caused by devaluation of Pakistan's currency in 1972. This, combined with revaluation of the Japanese and some European currencies, has more than doubled the repayment of foreign exchange loans obtained by these mills for the purchase of machinery.

Quite a few mills have been unable to meet their liabilities because of huge losses. In fact, their liabilities have increased because of the increase in their bank overdrafts. They have been further hit by tremendous increases in wages, bank interest, salaries, and the costs of indigenous and imported raw materials, which are not commensurate with increased prices of their products.

Early in 1975 it was estimated that about 20 per cent of the spindles had closed down resulting in retrenchment in labour force. The Government accepted this fact, although it was concerned about the situation itself had to help four textile mills to close down and pay off the workers in view of their financial difficulties.

As generally predicted, the recession is likely to end by the end of 1975 and unless the situation improves so far as textiles are concerned, Pakistan will have to face difficulties, since raw cotton and textiles are its main export items. Despite best efforts raw cotton production has been stagnant between 3.7m. to 3.9m. bales. The floods in 1973 and again last month have had their effect on production. Besides, the crisis also prevents cotton prices from rising.

The Government has fixed a production target of 6.2m. bales by 1980. It may perhaps not seem too ambitious in view of the 100 per cent increase in production during the past three years compared to the production of 1.82m. bales in 1961-62. The increase in raw cotton production is also important as the spindles capacity of the textile industry is being increased to 4.5m. from the present 3.4m.

I.M.

CONTINUED FROM PREVIOUS PAGE

Middle East

solve the problems of poor living conditions at home. Indeed, it may make solution more difficult by sapping Pakistan of its young, strong educated men. The emigration is not as desperate as that from, for example, Bangladesh, but it clearly is a danger. And Mr. Bhutto, for all his consummate diplomatic skill, is still finding it difficult to counter the giant size of India and the extra pull that this gives Mrs. Gandhi. This has emerged clearly in the debate

for the UN Security Council seat. Pakistan put its hat in the ring rather late, by which time India had the backing of the Arab League and the Philippines was the other contender for the seat now occupied by Japan. Islamabad managed to persuade the Islamic Foreign Ministers last month to give lukewarm backing to Pakistan, though there were more than a handful of abstentions, including Egypt and Bangladesh.

Pakistan argues that India occupied the Security Council only a few years ago. India replies: "Precisely, but we are a bigger country and a more important one. For this reason we should be given a Security Council seat more often." It is clear that some even of Pakistan's friends were impressed by this argument.

In the present context of goings-on in India, a wish to loosen the old links is indeed wishful thinking. But there is not much that Pakistan can do other than put its own house in order and see that it is strong and sure of itself. The Pakistanis have lately shown greater willingness to secure a "normalisation" of relations with India, but progress in the negotiations has been painfully slow. And the danger is great. One Pakistani put it: "We are not strong enough or democratic enough to stand on our own. If India breaks now, that is the end of Pakistan."

K.R.

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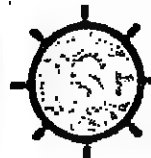
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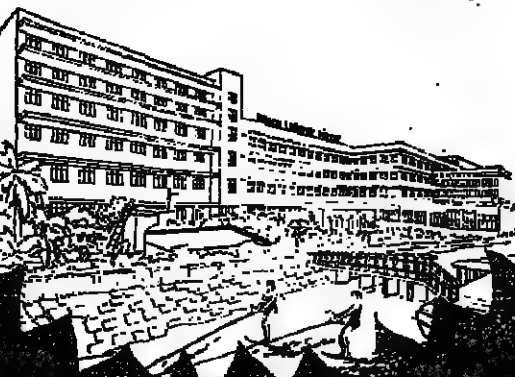
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PAKISTAN VI

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NATIONAL 376-H

PAKISTAN HAS all along lived under an Indian cloud that sometimes appears as all-embracing as those which bug the Himalayan peaks at monsoon time. That Indian cloud is so vast that it covers even tourism in the subcontinent. This may seem a strong assertion, but you have only to look at the tourist facts and figures: nearly a million people each year flock to India and spend on average 28 days each there; Pakistan's tourist arrivals last year were a mere 154,503 who stayed only a week each.

Even in the Asian league India is so important and is a magnet drawing practically everyone from students of history, through American culture vultures with many spare dollars to spend, to hippies in search of the Mystic Orient. Pakistan hardly counts. Yet Pakistan has almost as much to offer. If you are looking for the ancient history of civilisation, Pakistan has Mohenjo Daro or Taxila; if the bloodcurdling romance of the British Empire is what attracts you there is Lahore, the Khyber, Quetta; if

you want shopping bazaars, then the back streets of Peshawar, Rawalpindi, Quetta are a fruitful hunting ground; if the mixture of ancient and modern excites you, stand in Karachi city area and risk being bowled over by camel cart or donkey cart or tonga or hebrued women rushing blindly, arms full of children and shopping, for a bus or by the swanky Toyota or Datsun of some busy banker; if your demand is snowy mountains, clear spring water and scenery, Pakistan has a whole unspoilt gallery.

Lengthy

Put like this, it may all sound too good to be true. But the Indian shadow is so lengthy that it is worth putting the record straight. Pakistan has nothing to rival the majestic beauty of the Taj Mahal or the living, fascinating history of Varanasi (Benares). But it has much: and many people, especially those en route to the mystic east of India, miss it completely.

Much that was celebrated in undivided India to-day lies in Pakistan and not in India itself. The start of the fabled Grand Trunk Road, the Khyber Pass, Kipling's country, the Indus valley civilisation—all these are to-day located in Pakistan.

If you take the Grand Trunk, you follow in the footsteps of Aryans, Bactrians, Scythians, White Huns, Greeks, Persians, Arabs, Turks and Mongols; you will follow Alexander the Great, Tamerlane (Tamerlane) and Genghis Khan, as well as generations of British. It is a fascinating trip to make. Start at the Khyber Pass. Khyber itself is by no means as chillingly grand as the Kabul Gorge on the Afghan side, with its icy sheer drops and tunnels carved precariously out of the bare black rock mountainside. The Khyber Pass is dusty, brown and flat by comparison; but it is just the sort of place for guerrilla wars with fierce tribesmen who appear out of nowhere (or perhaps not so much of a

place if you happened to be a British soldier trying to spot the tribal guerrillas).

Even to-day, at peace, the territory gives uneasy, uneasy feelings. Camel trains or mules packed high pick their perilous paths and come and go unexpectedly, disappearing behind a bluff just when you think you have a clear sight of them. The Pathan tribesmen squat beside the road, rifles ever ready, with fingers never too far from the trigger. What or who are those dusty half-closed eyes watching? You are never sure. Plaques to the dead of royal regiments of the past dot the hillside and advise you not to cross these men.

From the Khyber the road is busy, roaring with highly-painted lorries, laden almost to axle-breaking point. The pictures on their sides tell of golden ages of the past and wish you well, then belie it all by thundering outrageously past with no concern for the safety of anyone who happens to be anywhere else on the road. Just inside Pakistan is the fabled "smugglers bazaar" at Landi Kotal, where tiny shops teem with watches and clocks, foreign toiletries and perfumes. The romance of it all is rather tarnished by the fact that the streets are narrow, muddy in the rain, and smelly.

The Grand Trunk proper starts in Peshawar Cantonment. Peshawar is a city filled with brass and gunshop bazaars, which speak worlds for the ability of these people as craftsmen for war or peace. Take any weapon to Peshawar, it is said, and the Pathans will produce a perfect copy in virtually no time. My most fascinating moment in Peshawar bazaars was one boiling 105° morning watching elderly burqa-clad women sweltering in a sun drawn to their voluminous black tents; they rummaged through garments which looked for all the world as if they had been cast off by stalwart British Women's Institute members some 30 years ago. As they pressed to themselves petti-

coats in pastel pink it was so reassuring that these shapless women, so downgraded, should care something about themselves.

On eastwards from Peshawar lies the Indus, a fertile river that fostered a great civilisation. To cross it on the Grand Trunk you have to take a labouring, looping journey round the Attock Fort that testifies still to man's respect for the power of Nature. The road runs on towards Rawalpindi, past Taxila where Buddha, Alexander the Great and Ashoka each came and in their own ways conquered. Excavations are still going on and revealing the most fantastic Buddhist stupas, but the glory is being spoilt by the midnight digs to discover booty for private pockets. Sadly, it is confidentially said that if you want the best pieces to take home, you apply to certain embassies which may, if they really like you, afford you the facility of their diplomatic bags.

Resting place

Rawalpindi and the nearby new federal capital of Islamabad mark a suitable resting place on the way to Lahore. The garrison town of Rawalpindi is the last resting place for regiments of British soldiers. In the garrison church there is a plaque to a Lieutenant-Colonel called "Boodles," countless others to victims of this war or that skirmish, including one to a poor officer who survived the First Afghan War only to die of cholera. Rawalpindi with its trotting tongas, carts and jumbled contrast to the cooler air of Islamabad at the foot of the foothills of the Karakoram where civil servants and diplomats and politicians can calmly talk of policy without being troubled by the sweat and hustle-bustle and flies of the market places, so much the mark of Rawalpindi.

The two towns are just inside the Punjab, the great heartland of Pakistan and once part of the granary of all India. The province derives its name from the five (panch=5) rivers—Jhelum, Chenab, Ravi, Sutlej and Beas. One by one the road bridges the rivers and the great canal system from which the fields are fed. Many, rude things have been said about the laziness of people from the Indian subcontinent, but here there is little evidence of it. Work goes on until late at night, and travelling is a hazard after dark (as it is all over India and Pakistan) because no one bothers to light the bullock carts or bicycles.

Lahore, 275 miles east of Peshawar, stands at the virtual end of the Pakistan Grand Trunk Road. In many ways to-day it is a sad city because it is deprived of its eastern hinterland which is now part of India. Nevertheless, Lahore tells its own tale of history. The city was founded at the end of the First Century AD. Its public buildings include the massive Badshahi Mosque, built in just three years by Moghul emperor Aurangzeb using red sandstone.



Cobbler waits for work.

carried from Jaipur and marble from Iran. Other landmarks are Shah Jehan's beautiful Shalimar Gardens and the imposing Lahore Fort.

The old city is a higgledy-piggledy treat with narrow labyrinthine lanes of traders and craftsmen. There is a street of butchers, one of sweetmeat makers, another of goldsmiths, another of silver beater. Those who most interest me are the metalworkers who with a couple of clanks can transform a lump of twisted iron into a replacement part for your car to enable it to limp along a little longer. Old Lahore is also the home of Hira Mandi (literally, Jewel Market). The "jewels" are of an unexpected kind, especially in a society where many of the women around are kept hidden and covered from top to toe. In Kim Kipling describes the "jewels" as "the Harpies who paint their eyes and trap the stranger." But they have always been a mixed crowd and are to-day, some of them offer entertainment in the best (or worst) Soho style; others, for a few rupees, will provide a considerable skill in music or dancing.

As a reminder of the great empire of which Lahore was once a proud centre, you cannot miss Zamzamah, Kim's gun, which stands outside the Museum. This is no ordinary anonymous hunk of death-studded and decorated barrel tells you of the respect and affection it deserved. In those days the Grand Trunk used to run on 300 odd miles more to Delhi, then to the great port of Calcutta. That road is now closed to most Pakistanis, and something of the feeling of the restriction has eaten into the city and into the country. Away from the Grand Trunk route Pakistan has many more places of interest. Just over 50 years ago in the seemingly arid wastes of the Sind desert Mortimer Wheeler discovered Mohenjo Daro, a ruined city with the unexciting name which translates as "the mound of the dead." Yet 2,000 years before Christ, Mohenjo Daro was the centre of an ancient civilisation. The city had a State granary, a college of priests, splendidly planned streets, a great bath, an elaborate drainage system including soak pits to dispose of sewage. The civilisation also attained high standards in art and among the objects discovered at Mohenjo Daro is a graceful bronze model of a girl dancer only a few inches high.

If it is to become an important tourist country and if tourism is to be a big foreign exchange earner — and the Government as a whole clearly has not yet thought this question out—Pakistan must do something actually to woo tourists. It might consider allowing inclusive-price air or rail tickets allowing unlimited travel for two or four weeks within Pakistan. Indian Airlines is already successfully doing this. The problem with seeing Pakistan, Railways as a money spinner or tourist attraction is that it is decidedly untourist and uncomfortable and unattractive beside say Indian Railways. Transport is a major problem for tourists in Pakistan as only an oil sheikh could afford to travel by taxi and only a madman would travel more than once in the madcap long distance buses—too many of them end up overturned or perched over a cliff on the Grand Trunk. A start has been made in introducing a minibus service and this could prove an attractive answer.

Pakistan might do a lot to help itself if it could build up tourist interchange with India. At the moment, air links are few and the land crossing tedious.

But even if Pakistan takes steps to remedy these deficiencies, something will probably still be missing. There is something that is lacking in the spirit of the people. Individually Pakistanis can be extraordinarily friendly and hospitable, and show generosity unmatched in the so-called developed world. In a group they are not as open as Indians. You cannot wander at random in Pakistan as you can—or could—in India, and expect immediately to strike rapport, engage in lively conversation, and be offered a bed or even a second home. This you find time after time in India, even if the conversation is largely Hindi (more broken English), Pakistanis are more unsure. It may be the years under the Indian shadow that has produced an inferiority complex. Or it may be years of dictatorship in Pakistan that has produced caution—in which case India could soon change swiftly.

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REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

[illegible]**FINANCIAL TIMES STOCK INDICES**

	Aug. '67	Aug. '68	Aug. '69	Aug. '70	Aug. '71	Aug. '72	Aug. '73
Government Securities	59.78	59.55	60.27	60.47	60.70	60.44	59.93
Fixed Interest	59.78	59.55	60.27	60.47	60.70	60.44	59.93
Industrial Ordinary	29.58	27.77	27.81	28.55	28.21	28.08	28.73
Common Stocks	360.4	357.5	358.1	343.5	357.9	359.0	367.3
Ext. Div. Yld.	7.35	7.59	7.17	7.11	7.27	7.25	8.23
Earnings Yld. & Ret.	21.25	20.33	20.66	20.51	20.98	20.91	22.64
P/E Ratio net to div.	6.71	6.60	6.90	6.95	6.80	6.82	6.17
Distributions net	4,099	5,897	5,569	5,580	5,526	5,526	5,824
Equity turnover	48.25	37.98	40.13	23.47	44.87	27.25	29.29
Equity leverage ratio	10.143	9.740	9.035	8.037	8.932	8.568	

HIGHS AND LOWS : S.E. AC

	1975		Since Completion			Aug. 8	Aug. 7
	High	Low	High	Low			
Govt. Secs.	62.84 (20.3)	49.18 (3.1)	127.4 (10.36)	49.18 (1.15)	Daily— Gilt-Edged— Industrial— Government— Speculative— Totals—	124.9 187.0 96.9 103.5	117.8 186.4 95.9 93.5
Fixed Inv.	63.31 (21.3)	50.65 (3.1)	150.4 (12.147)	50.55 (3.17)	5-Year Average Gilt-Edged— Industrial— Government— Speculative— Totals—	125.4 128.4 123.6 129.4	120.9 125.4 125.4 125.4

FT—ACTUARIES INDICES

	Aug- 8	Aug- 7	Aug- 6	Aug- 5	Aug- 4	Aug- 3	A year ago
Industrial Group	112.07	112.00	115.68	115.30	120.01	114.99	92.87
500 Shares	126.08	126.95	127.77	127.25	128.61	126.19	99.51
Div. Yield pct	7.14	7.12	6.99	7.09	7.10	7.09	8.18
P/E Ratio	6.21	6.33	6.34	6.51	6.23	6.24	5.87
All Shares	122.26	122.75	124.92	124.16	122.62	122.33	95.43
Nonvoting stock	14.17	14.26	15.93	13.99	14.65	15.95	15.26

BASE LENDING RATES

AFI International	10	%	Jacobs, Kroll	11	%
Allied Irish Banks Ltd.	10	%	Keyser, Ullmann	10	%
Anglo-Portuguese Bank	10	%	Knowsley & Co. Ltd.	11	%
Harris, Anschuetz	10	%	Lloyds Bank	10	%
Banco de Bilbao	10	%	London & European	11	%
Banco de Jerez	10	%	London Mercantile	11	%
Bank of Cyprus	10	%	Midland Bank	10	%
Banque du Rhone S.A.	10	%	Samuel Montagu	10	%
Barclays Bank	10	%	Morgan Grenfell	10	%
Barnett, Christie Ltd.	11	%	National Westminster	10	%
Bremar Holdings Ltd.	11	%	Northern Comm. Trust	10	%
Brit. Bank of Mid East	10	%	Norwich General Trust	10	%
Brown Shipley	10	%	North's Guaranty	11	%
Cayzer, Wooster Co. Ltd.	10	%	P. Refson & Co.	9	%
Cedar Holdings Co.	10	%	Rossmister Acceptees	10	%
Charterhouse Japhet	10	%	Royal Trust of Canada	10	%
C. E. Coates	10	%	Schlesinger Limited	10	%
Consolidated Credits	12	%	E. S. Schwab	11	%
Continental Trade Bk.	10	%	Security Trust Co. Ltd.	11	%
Co-operative Bank	10	%	Shenley Trust	11	%
Copeleys Bank	11	%	Standard & Chartered	10	%
Corinthian Securities	10	%	Sterling Credit	12	%
Credit Lyonnais	10	%	Thames Guaranty	10	%
C. R. Dawe	10	%	Trade Development Bk.	10	%
Dubouché Brothers	11	%	Travoy Bk.	11	%
Duncan, Lawrie	10	%	United Bank of Kuwait	10	%
English Transocean	11	%	Wallace Brothers Bank	10	%
First London Secs.	10	%	Whiteaway Laidlaw	10	%
Antony Gibbs	10	%	Williams and Glyn's	10	%
Goode Durrant Trust	10	%	Yorkshire Bank	10	%
Greyhound Guaranty	10	%			
Grindlays Bank	10	%	Members of the Accepting Houses Committee.		
Guinness Mahon	10	%			
Hambros Bank	10	%	7-day deposit 6%, 1-month deposit 6 1/2%		
Hawes & Partners	12	%	Fixed deposits on sums of £10,000 and under 8 1/2%, up to £25,000 7%, and over £25,000 7 1/2%.		
Hill Samuel	10	%	Deposit Base Rate 8 1/4%		
C. Hoare & Co.	10	%	Demand deposit 7 1/4%		
Julian S. Hodge	11	%			
Industrial Bank of Scot.	10	%			

INSURANCE. PROPERTY. BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTE

[illegible]

TITLES

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FINANCIAL TIMES

Monday August 11 1975

Cruising means



BSC cuts another £2 off scrap prices

BY MICHAEL THOMPSON-NOEL

THE BRITISH Steel Corporation has cut by an average of £2 a tonne its prices for scrap steel. The saving to BSC is estimated at around £10m. a year. Some private sector steelworks have already reduced prices by comparable amounts.

The British Scrap Federation said last night it accepted the price cuts with resignation. "Trade has been steeper this year than we feared," said a spokesman, "partly the result of increased exports to the EEC and other countries."

BSC buys around 5.5m. tonnes of scrap from merchants yearly, and produces a further 5.5m. tonnes from its own operations. Private sector steelmakers buy about 2.5m. tonnes, and the iron-making industry another 4m. Last night's average reduction of £2 a tonne amounts to a cut of 1.2m.-1.3m. tonnes.

The greatest reduction in scrap prices will be felt in South Wales and the North East, where prices have been slashed by an average of £4.50 a tonne. At the Shotton plant in North Wales, where up to 4,500 steel-making jobs are in doubt, prices have

been cut by an average of £2 a tonne. The price for lower grades fell by around £1 a tonne.

It was made clear that the price move had nothing to do with BSC's recently announced plan to phase out more than 100 of its direct scrap suppliers from September 1 as part of the company's major economy measures. Eventually, the number of suppliers may be reduced from the present 300 to around 50 in a bid to secure reduced administrative costs and better control on quality throughput.

The main reason for the scrap price cut, it was emphasised, was the European slump in demand for steel products. Total U.K. steel output in June at 3,450,000 tonnes a week showed a 28.5 per cent. fall on the same month last year.

BP sells off gas stake in two North Sea areas

BY ADRIAN HAMILTON

BRITISH PETROLEUM has quietly agreed to sell both the "residual" gas associated with its Forties oil field and its share of the Frigg gas field in the North Sea to the British Gas Corporation.

Details of the deals, which were pushed through to take advantage of the Government's promise of Petroleum Revenue Tax (PRT) exemption for gas contracts agreed before June 30 last, have not yet been released.

While the gas quantities involved are not large they could provide the Corporation with a useful additional supply for industrial consumers in Scotland as well as setting an interesting precedent for other producers with small quantities of gas "associated" with oil production.

Most of the associated gas in the Forties field will be used by BP at the field itself and at its Grangemouth refinery where the oil, together with quantities of gas, is to be delivered.

Industrial

At peak production, however, it is thought that the company will have some 10,000 cubic feet per day of surplus gas, which it has now agreed to sell to the Gas Corporation over a limited number of years.

Because of the quality of the gas, which has something like twice the calorific value of the natural gas being sold to the Corporation's customers, and because of its location and volume, the Corporation will not process it for use within its own transmission system.

Instead it is believed to be negotiating to sell the gas directly to major industrial consumers. Several potential customers, including the British Steel Corporation and the electricity generating authorities, have shown particular interest in getting hold of new supplies of gas.

The quantity involved, while not large from the Corporation's point of view, could provide the equivalent of more than 150,000 tons of fuel oil a year and more than 200,000 tons of coal.

The other deal—for BP's small portion of the Frigg field—is more of a tidying up operation. It is more of a tidying up operation, it is more of a tidying up operation, it is more of a tidying up operation.

Re-injection

Frigg, one of the largest gas fields so far discovered in the North Sea, is due to start delivering gas to the North-East Scottish coast in the second half of 1977, building up to a peak rate of around 1,500m. cubic feet per day.

Just how much more gas BGC could obtain from the North Sea oil producers beyond the recent Frigg, Brent and Forties deals, is still uncertain. Most of the oil fields have relatively low ratios of gas to oil production and the exploration companies are planning to use most of it for gas re-injection to maintain reservoir pressures and as a fuel to power the facilities on the production platforms.

Although some quantities of gas will still come ashore with pipeline output, most of the oil is due to be landed in the Shetlands or Orkneys, where it is of little use to the Gas Corporation.

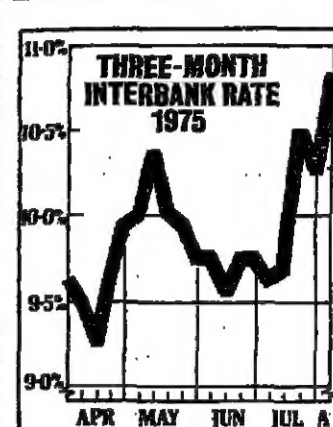
It may well be used to power electricity generation on the islands, however, and it remains to be seen whether the Gas Corporation will want to become involved in delays involving the electricity authorities. Under statute, the Corporation has the right of first refusal for all quantities of gas produced, except as a feedstock in chemical manufacture.

THE LEX COLUMN

Looking on the brighter side

The stock market's reaction to news developments is always a fair guide to the prevailing mood: a headline which sends share prices reeling during a bear market might be totally ignored during a bull phase. At the moment, there seems to be no enthusiasm about anything. If the mood were to change, however, it would not require too much imagination to interpret the news in quite a different way.

For instance, the CBI's latest survey of industrial trends only served to deepen the general gloom last week, with its evidence of rising unemployment and falling capacity working. But brokers Kemp-Gee, who monitor the survey regularly, argue that the shift of opinion is what counts rather than its actual level, and that encouraging changes can now be detected. Drawing a parallel with the autumn of 1971, they point out that the degree of optimism is rather higher for the second quarter running, and so are capital spending plans: stocks of finished goods are falling, along with the rate of price and cost increases.



The trend in equities, meanwhile, has been extremely depressing, and the lack of business provides just about the only subject of conversation. All the same, a reaction of just under a quarter is not so very terrible following the practically vertical rises earlier in the year: a Dow theorist might dismiss it loftily as a secondary correction. And if it was the supply of new equity in the shape of rights issues which finally knocked the market off its upward track, then it is worth noting that the supply dried up altogether last week, for the first time since the Budget in mid-April.

Rothmans

All this is not meant to imply that the bull market is likely to re-establish itself overnight, shows how the money markets, after a little hesitation, followed the lead of M.L.R. so the clearing banks must still have their fingers poised on the base rate anyone wants to look for them. The important disclosure in

Row looms over pay limit 'loopholes'

BY JOHN ELLIOTT, LABOUR EDITOR

A ROW is building up between the Government, public sector employers and union leaders over special payments which the Government has ensured can be made to its own civil servants under its new £6 a week wage policy.

It is being argued that, by allowing white collar workers to receive incremental rises, plus some special payments for London workers, in excess of the £6, the Government has designed loopholes in its policy which favour civil servants and undermine the potential loyalty of manual workers to the £6 limit.

The row will come to a head during the next few days after a meeting of public sector employers decided whether to award special London weighting pay rises of up to around £80 a year to some 1m. London workers.

Mr. Michael Foot, Secretary for Employment, said in the Commons two days ago that such London payments due to be made before August 1 starting date of the new policy go ahead without being counted against the £6 limit. Most of the 1m. would qualify under this interpretation.

But Mr. Foot was speaking only as the Government's guardian of the pay policy and not as the employer of civil servants and other public sector staff whose own employers now have to decide their line.

The Government is thought by other employers to be keen to pay its civil servants the money but it is being warned that the rest of the public sector would have to pay up as well. This would cost £20m. for London local councils alone, adding to their already serious cash problems.

The increases arise from a Department of Employment estimate that £200 to £400 a year London weighting allowances introduced last year after a Pay award of 20 per cent, which would mean about £80 a year in inner London and £30 to £40 in the outer Metropolitan area. The precise amounts depend on self-assessment, the Government fixed the initial payments last year.

In addition to the costs problem of these increases, other union leaders are complaining that the payments would further undermine the simple appeal of the new pay policy that no one receives more than £6 a week. They are specially incensed that white collar incremental rises, which have always been allowed to beat policies in the past, have not been stopped.

They claim that, even though the rises are supposed to count against the £6 if they are not self-assessed, the Government has shown no inclination to demonstrate that it intends to measure the financing aspect of its civil servants' scales. This the union leaders claim, will lead to the evasion of the rule elsewhere.

This view is in line with strong opposition put forward by the CBI to the payment of incremental scales. Both employers and other public sector staff who are not involved with public sector staff argue that the incremental rises will cause great resentment among manual workers who are supposed to have exactly the same pay scale. They also argue that this resentment will be further fuelled by any London weighting rises because these are also concentrated among white-collar workers.

U.S. grain crop figure out to-day

By Adrian Dicks

WASHINGTON, August 10.

THE U.S. Department of Agriculture will publish its latest estimate of 1975 crops to-morrow—after the closure of grain futures markets. This estimate may determine whether there will be any further large sales to the Soviet Union.

The Ford Administration, committed politically to maintaining a high level of exports this year both for balance of payments reasons and to help farmers' fortunes, has been confidently predicting a bumper wheat, corn, soybeans and other main feedgrains will be in plentiful supply.

But the President and Mr. Earl Butz, the Secretary of Agriculture, have been coming under strong pressure from Congress to limit sales to the Russians to the 5.5m. tons of wheat and maize they have already contracted to buy.

This view is in line with strong opposition put forward by the CBI to the payment of incremental scales. Both employers and other public sector staff who are not involved with public sector staff argue that the incremental rises will cause great resentment among manual workers who are supposed to have exactly the same pay scale. They also argue that this resentment will be further fuelled by any London weighting rises because these are also concentrated among white-collar workers.

Forecast

At the same time, dry weather in Iowa and other key areas of the Mid-West "corn belt" may also mean that the forecast due on to-morrow, based on information collected 10 days ago, will prove to be over-optimistic.

Last month the USDA forecast a corn harvest of 6,450m. bushels. There is no hint of what it may have to say to-morrow, but Mr. Conrad Leslie, the private Chicago crop forecaster, on Friday said the U.S. corn crop would be no more than 5,375m. bushels.

The USDA estimates to-morrow will also include the Crop Reporting Board's first assessment of this year's soybean harvest. Earlier forecasts, based on farmers' planting intentions rather than field surveys, have put the crop at record levels. Mr. Leslie's forecast is for a 1,450m. bushel harvest against last year's 1,225m. bushels.

Alaska pipeline 'can meet 1977 deadline'

BY ADRIAN HAMILTON

DESPITE substantial initial delays, the construction of the Trans-Alaska pipeline is now such that they can achieve a target of completing half the project by November of this year and of bringing the line on stream by the target date of mid-1977.

At the same time, recent drilling by Mobil and other companies in the North Slope area is believed to have successfully raised hopes that sufficient additional reserves can be established to fill the line's eventual expected capacity of 2m. barrels per day.

The wells are thought to have shown highly promising results in the additional producing horizons to the main sands of the Prudhoe Bay field discovered by British Petroleum and Atlantic Richfield.

Completion of the 84,400 pipeline, which will take oil from the North Slope region in the Arctic Circle 800 miles across the State of Alaska to the warm water port of Valdez, is vital not only for the U.S. energy picture but also for the fortunes of BP and Sohio, which have around half of the reserves in the area and own nearly half of the pipeline.

According to the latest progress report of the Alyeska Pipeline Service Company, which is handling the line on behalf of the Prudhoe Bay field, the deadline of completing half the project by November now looks well within reach.

Most of the work so far has been concentrated on building up the facilities and preparing for the pipelaying. But by July 30, 22.6 per cent of the pipeline had been laid, and a portion of the project had been completed, including the construction of 55.5 miles of pipe.

Of this, 45.5 miles was above ground, 5.5 miles was below ground and 4.5 miles of river crossings had been completed.

During the next three months, much of the work will be concentrated on right of way clearing, work pad construction, a portion of the above ground pipe support system and a considerable amount of pipe installation.

Despite delays in getting the pipe installation underway in some parts, productivity is improving considerably and Mr. Frank Molino, senior project manager of the company's pipeline department, said contractors would attempt to complete 50 per cent of the total work effort by the beginning of November.

The aim is to get most of the pipeline work done by the end of next year so that testing can take place during the early 1977 preparation for the line to start flowing at an initial capacity of 1.2m. barrels per day by the middle of 1977.

Of crucial importance to this schedule will be the construction of storage and shipment facilities at Valdez itself. Here, tank construction on water treatment tanks, a tank farm as well as site excavation and construction of berths is now underway against a fairly tight deadline.

The whole project is claimed to be the largest and most difficult civil engineering project yet attempted.

Continued from Page 1

Ulster policy at risk

occurred in Belfast immediately after the Provisional anti-Internment rally near the Falls Road. But Provisional Sinn Féin claimed that bottles and bricks were thrown at Army patrols only after the anti-Internment protesters had moved off.

The climate which the inter-party talks will take place cannot have been improved by Provisional vice-president Mrs. Maire Drumm's speech telling the demonstrators: "If there must be war, may your hand be steady and your aim be true."

When Friday's four-hour negotiations at Stormont between the two political parties ended, however, a joint statement described the talks as "worthwhile" and hoped that a working agenda

Weather

U.K. TO-DAY
SUNNY periods, dry. Cloudy with coastal fog in NE region. London, Midlands, Cent. N. England.
Dry, sunny periods. Wind variable, light. Max. 25C (77F).
E. S.W. and Cent. S. England, E. Anglia, Channel Is., Wales.
Dry, sunny periods. Wind variable, light. Max. 25C (77F). Cooler near coasts.

N.W. England, Lakes, I. of Man, S.W. Scotland, Argyll
Dry, sunny periods. Wind variable, light. Max. 22C (72F). Cooler near coasts.
N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Moray Firth, N.E. and N.W. Scotland.
Sunny periods, cloudy near coasts. Wind E., light or moderate. Max. 22C (72F). Cooler near coasts.
Glasgow, Cent. Highlands, N. Ireland.
Dry, sunny periods. Wind variable, light. Max. 23C (73F). Orkney, Shetland.
Cloudy. Coastal fog. Wind E., light. Max. 14C (57F). Outlook: Mainly dry, sunny periods.

BUSINESS CENTRES		HOLIDAY RESORTS	
C	F	C	F
Alexandria	28	London	22
Amsterdam	24	Madrid	29
Algiers	28	Manchester	28
Bahia	28	Marseilles	28
Barcelona	27	Medan	28
Beirut	29	Montreal	27
Belfast	28	Moscow	24
Bombay	28	Munich	27
Bonn	28	Newcastle	27
Brisbane	28	New York	27
Buenos Aires	28	Osaka	27
Calcutta	28	Paris	27
Canton	28	Peking	27
Cebu	28	Perth	27
Colon	28	Prague	27
Hankow	28	Rangoon	27
Hong Kong	28	San Francisco	27
Kobe	28	Singapore	27
London	22	Sourabaya	27
Lyons	28	Taipei	27
Manila	28	Tokyo	27
Medan	28	Toronto	27
Moscow	24	Yokohama	27
Munich	27		
Newcastle	27		
New York	27		
Osaka	27		
Paris	27		
Peking	27		
Perth	27		
Prague	27		
Rangoon	27		
San Francisco	27		
Singapore	27		
Sourabaya	27		
Taipei	27		
Tokyo	27		
Toronto	27		
Yokohama	27		

Order may be necessary to cut contraceptive prices

BY ELINOR GOODMAN

SIX MONTHS after the Monopolies Commission's recommendation that LR Industries should make drastic reductions in the prices of its Durex contraceptive sheaths, it is beginning to look as if the Government may have to use its order-making powers if any significant price reductions are to be made.

The Office of Fair Trading has had prolonged discussions with the company, but though it is understood that LR Industries has agreed that it may have to accept lower profit margins in the long term, it is not apparently prepared to make the kind of price reductions the OFT considers necessary.

The Monopolies Commission recommended in February that LR Industries should reduce the prices of its sheaths to 60 per cent of the March 1973 price unless costs had risen significantly since then.

If costs had risen, the Commission recommended that prices should be cut to give a return on capital of 20 per cent. If it fails to get the company's voluntary agreement for price cuts, it could ask the Government to make an order enforcing them in the same way as it did with the Monopolies Commission recommendation on Roche Products.

Such an order, however, could lead to long court proceedings—something which both the OFT and LR Industries would prefer to avoid.

From the start the company has disputed the factual basis of some of the commission's findings. It has argued, for example, that the commission's attempt to calculate capital employed in home separately from exports was meaningless. It has also stressed that its 90 per cent of the sheath market is irrelevant to the declining share of sheaths within the total contraceptive market.

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This ever increasing aspiration to home ownership is an encouraging endorsement of today's awareness that the security of one's own home provides also an investment which protects and safeguards against the effects of inflation so evident today.

These ever appreciating trends ensure continuing demand from families seeking their first home, for the high standard, low cost housing, produced by Fairview.

Consequently, we would strongly urge any would-be purchaser seeking a new home to contact our Sales Department soon, before the pressures of inflation and greater demand precipitate higher prices.

Fairview Estates Limited, Enfield, Middlesex. Telephone: 01-366 1271.



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